



Daily Report

China

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Daily Report

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General

Qian Qichen Hosts Foreign Envoys for New Year's

OW3012142093 Beijing XINHUA in English 1347
GMT 30 Dec 93

[Text] Beijing, December 30 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that in the coming year, China would make new efforts to enhance its friendship and cooperation with other countries and to promote world peace and development.

Qian made the remarks at a new year reception he held for foreign envoys and representatives here at the Diaoyutai state guesthouse this evening.

He extended his gratitude to all the envoys and representatives for their efforts in strengthening understanding, friendship and cooperation between China and their respective countries.

The vice-premier told the gathering that in the outgoing year, China has achieved tremendous progress in its economic development, reform and social progress.

China would unrelentingly pursue its independent foreign policy of peace, further enhance its mutual understanding and cooperation of mutual benefit with all countries the globe over, actively participate in world affairs and do its utmost to maintain world peace and promote common development, he reiterated.

In his speech, Jean Jacques Maurice, doyen of the diplomatic corps and ambassador of Madagascar, expressed the wish that the coming year would bring everybody happiness and prosperity.

He expressed the belief that China would make more contributions to the maintenance of world peace and to the establishment of a new world political and economic order.

NAFTA 'Challenge' to PRC's Foreign Trade

OW3012122693 Beijing XINHUA in English 0919
GMT 30 Dec 93

[Article by Luo Hui "NAFTA: Challenge To China's Foreign Trade"]

[Text] Beijing, December 30 (XINHUA)—China will face severe challenges from the North American Free Trade Zone, which is to go into force at the beginning of 1994, in accordance with the North American Free Trade Agreement (NAFTA), a government analyst has predicted.

NAFTA, involving the United States, Canada and Mexico, professes to espouse free trade, but some of its articles smack of trade protectionism, according to the analyst.

NAFTA says that tariffs and trade barriers will come down within 15 years; all textile and garment trade controls will be abolished in 10 years; and investment in finance, telecommunications and communications will be encouraged as Mexico opens its service markets and lifts its investment controls.

North America is one of China's most important trade partners. So the country's foreign trade cannot afford to lose its markets in the U.S.; meanwhile the U.S. is a major source of technology and investment for China.

Over the last year China's total trade volume with the three countries reached 20.32 billion U.S. dollars-worth, which accounted for 12.3 percent of China's total foreign trade but only 1.5 percent of the trade of the three countries. Sino-U.S. trade made up 85.8 percent of the total volume of trade between China and the three countries.

The North America Free Trade Zone will further expand the world trade market, which is conducive to the development of the world economy, especially to that of a rapidly developing country like China, an official from China's Ministry of Foreign Trade and Economic Cooperation said.

However, he added, the implementation of NAFTA will put China in a disadvantageous position compared with Mexico in the fields of tariffs, trade barriers, and introduction of overseas investment and technology. He pointed out that China's foreign trade will face severe challenges.

First, China will possibly face a loss of exports to the U.S. due to Mexico's similar position as far as cheap labor and export composition is concerned. The abolition of tariff and trade barriers inside the zone could mean that some U.S. importers will divert their attention from China to the Mexican market, especially for textiles, shoes, toys, electronic items and other labor-intensive products.

The average tariff rate of China's textile exports to the U.S. is 8.7 percent, and that of garments, 14.6 percent. Meanwhile, U.S. trade barriers cover 90.9 percent of China's textiles to U.S. and 93.2 percent of garments, much higher than those against China's other products exported to the U.S.

The abolition of tariffs and trade barriers inside the zone is not very important to Mexico, for that country can only use 77 percent of its export quota to the U.S. although it enjoys a tariffs as low only four percent. Mexico will still not able to take the place of China in the U.S. market in the next few years.

With the opening of the Mexican market, that country will attract more foreign investment from the U.S., Canada, the Republic of Korea, Hong Kong and Taiwan, who will take the opportunity to enhance their indirect exports to the zone.

Mexico will show strong market competitiveness after it attracts advanced technology, management and capital while deploying its rich resources and cheap labor. This will threaten China's role in the North American market as well as in the Latin American market in the future.

The official noted that, to reduce the impact of the North American Free Trade Zone, China must seize the opportunity to accelerate the introduction of overseas investment, and advanced equipment and technology, further adjust its product mix, and increase its exports of high-value-added products, as well as carry out a diversified market strategy.

Article Views Effects of Uruguay Round of Talks

HK3012055693 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Dec 93 p 6

["Special Article" by Wang Linuo (3769 7787 1226): "Opening a New Chapter in International Trade—Written at the Time of Agreement Reached at the Uruguay Round of Talks"]

[Text] In Geneva, Switzerland, at 1934 on 15 December, the seven-year-long Uruguay Round of multilateral trade talks officially came to an end with the strike of the hammer in the hand of Peter Sutherland, secretary general of the GATT, thus allowing a leap of progress in building a global multilateral free trade system.

The Uruguay Round, which began in 1986, was originally planned to conclude within four years; however, because of the difficulty in resolving complicated conflicts of interest between various parties to the talks, the deadline for the talks had been broken on three occasions between 1990 and 1992. Through the great efforts of all sides, since the beginning of this year, the process of talks has been continuously accelerated. In the wake of the United States, Europe, Japan, and Canada reaching general unanimity on the issue of opening markets in Tokyo on 7 July, the various sides participating in the Uruguay Round reached agreement on a draft accord on building a world trade organization on 15 November. On 7 December, the major obstacle to the talks, namely, barriers on EC-U.S. trade in farm produce, were initially removed, and a compromise was reached between the two sides with the revision of some clauses of the "Blair House Accord," which had been adopted in November 1992. Even France, which had opposed the accord all along, expressed satisfaction, thus enabling a breakthrough in the Uruguay Round to make progress. In the few remaining days, delegates from the 117 parties participating in the talks conducted intense talks and negotiations, and they eventually reached comprehensive unanimity on the final package of the Uruguay Round accord on the evening of 15 December.

The final package of the Uruguay Round accord includes 45 documents, whose contents involve 21 aspects, including customs duties, farm produce, textiles, anti-dumping, services, and intellectual property rights; in addition, a list of tariff reductions for various categories

of products and services suggested by various participants was included. Regarding the audiovisual products issue that has been deadlocked all along, the relevant sides decided to exclude it from the final text of the accord, while finding solutions elsewhere.

Viewing the contents of the accord reached at the Uruguay Round, we find that it has different characteristics from previous rounds of talks and far-reaching significance; it can be regarded as an important milestone in GATT history.

First, through market access accords, the final package includes big global cuts in tariffs of approximately 40 percent. This will boost the global economy in a range from \$212 billion to \$270 billion each year and will have a positive effect on global production and trade.

Second, an accord on farm produce, an issue listed on the agenda of the multilateral talks for the first time, will enable a new situation to emerge characterized by increasing demand and production growth in global farm produce trade.

Third, it will take another two years before the accord reached at the Uruguay Round officially comes into effect, so that all signatory parties may have sufficient time to revise and readjust their domestic legislation to make it compatible with GATT regulations. This being the case, it will inevitably promote readjustment of the industrial structure in all countries, especially the structure of agriculture.

Fourth, the draft accord on setting up a bilateral trade organization is another important accomplishment of the Uruguay Round; this will halt the spread of protectionism in world trade and provide some rules and regulations for the solution of trade disputes to promote fair competition. The establishment of a world trade organization will inevitably promote the development of global multilateral trade.

The Uruguay Round has all along been manipulated by several major Western trading powers. Viewing the text of the accord reached, we find that the developed Western countries benefit primarily from it, whereas developing countries benefit less, and the interests of some countries could possibly be damaged within a short period. However, the expansion of the whole world market will undoubtedly be conducive to all countries, especially some Asian and East European countries, which are converting to the market economy, and the Uruguay Round accord will push the rapid development of their export-oriented industry and promote smooth economic restructuring. China has all along participated enthusiastically in the Uruguay Round in a comprehensive way. The conclusion of the Uruguay Round will also push China's structural reform in foreign trade and banking and finance and promote the development of China's export-oriented economy, while increasing the pressure to "restore" China's membership of GATT.

Although the accord reached in the Uruguay Round is not perfect, it will still play a vitally important role in the establishment of the pattern of world trade in the 21st century, turning a new leaf in the history of world trade.

U.S. Marines Arrive in Colombia

OW2912023193 Beijing XINHUA in English 0148
GMT 29 Dec 93

[Text] Santa Fe de Bogota, December 28 (XINHUA)—The first contingent of 150 U.S. heavy combat Marines arrived in Bahia Solano, Choco, Colombia, Monday [27 December], to establish an operation base in Juanchaco on the Pacific Coast of the Cauca Valley.

The arrival of the first contingent to Colombia was confirmed in a U.S. Marine base in Alabama, but the U.S. Embassy in Bogota said that it had no information about the matter, the "LA PRENSA" newspaper reported today.

Meanwhile, the Colombian Navy in Bogota did not inform the media about the arrival of foreign troops in the country.

However, in an interview with the local radio, Cauca Valley Governor Carlos Holguin Sardi confirmed Monday's arrival of the first contingent in Bahia Solano.

According to official information provided earlier by U.S. Ambassador to Colombia Morris Busby, the U.S. troops will leave the country in February.

The American ambassador said that the U.S. Marines will build a school, a road and a health clinic in Juanchaco, Colombia.

Pentagon Spokesman Major Arnie Owens said that the 150 marines will have the mission to "train Colombian soldiers" in order to "to carry out, once again, the United States' continual support to Colombian democracy and to its people."

Zhirinovskiy Ordered To Leave Bulgaria

OW2912023393 Beijing XINHUA in English 0149
GMT 29 Dec 93

[Text] Sofia, December 28 (XINHUA)—The Bulgarian authorities ordered Tuesday [28 December] visiting Russian Liberal Democratic Party leader Vladimir Zhirinovskiy to leave the country after he made remarks offensive to Bulgarian President Zhelyu Zhelev.

If Zhirinovskiy did not leave within 24 hours, he would be deported on the ground of illegally staying in the country, the Bulgarian Internal Affairs Ministry said in a statement.

Zhirinovskiy, who arrived in Bulgaria Saturday on a private visit, said upon his arrival that President Zhelev should step down and that it was time for a change in Bulgaria's political leadership.

Bulgarian newspapers Tuesday quoted Zhirinovskiy as saying that he would send Zhelev to Siberia if he were in a position to do so.

"The incumbent Bulgarian president is a political figure during a transitional period which will be over soon," he said.

The words, which were apparently offensive to Bulgaria, touched off an uproar and the government reacted by ordering Zhirinovskiy out of the country.

While speaking to reporters on a number of occasions, Zhirinovskiy made remarks offensive to the head of state of Bulgaria and expressed positions "which represent interference in the internal affairs of a sovereign state," the Internal Affairs Ministry noted in the statement.

It accused Zhirinovskiy of undermining the prestige and dignity of the Bulgarian people and said his actions "are intolerable in relations between states."

"Under international law, Zhirinovskiy's statements concerning Bulgaria's policies and institutions are impermissible and unprecedented," the statement declared.

Bulgarian political parties, including the Democratic Force Union and the Green Party, also issued statements accusing Zhirinovskiy of "gross interference in Bulgaria's internal affairs."

United States & Canada

'Yearender' Assesses Clinton's 1st Year in Office

HK2912095393 Beijing RENMIN RIBAO in Chinese
27 Dec 93 p 7

["Yearender" by staff reporter Bao Shishao (7637 0013 4801): "Clinton As Master of the White House for One Year"]

[Text] President Bill Clinton has been in office for nearly one year. U.S. newspapers' comments on the achievements of the President's administration are so numerous and contradictory that it is difficult to decide which is right. However, they share the same view on one thing: He has achieved some results in domestic and foreign affairs. Faced with grim realities, Clinton had to repeatedly revise and adjust his domestic and foreign policies.

In domestic affairs, he devoted his main energies to three things: Invigorating the economy, reforming the health-care system, and improving social order.

Clinton became president as the Cold War ended and domestic problems became acute. As the economy recovered slowly, the jobless rate remained high, and there was runaway expansion in financial deficits. He was determined to improve the economy and put an end to the decline of U.S. strength. Not long after he assumed office, Clinton initiated an economic stimulus package

designed to stimulate the economy in the short term, and revive "U.S. economic vitality" in the long term.

The economic plan was very eye-catching. On one hand, he declared that he would invest in capital construction, create more jobs, and reduce unemployment through government appropriations within two years, and on the other hand, he formulated long-term economic recovery measures, mainly by increasing taxes, cutting expenditures, reducing deficits, expanding investment, promoting science and technology, and reforming education, so as to lay a foundation for the steady development of the economy and boost the United States' global position of strength.

Unlike the "noninterference" economic policy of the Republican Party, the plan, which stressed the government's role, was also different from the Democratic Party's traditional "tax and spend" policy. It touched the vested interests of many sides concerned, thus running into considerable obstacles. Even in a Congress dominated by the Democratic Party, President Clinton was in an unfavorable position. It was only after several months of heated debate that the House of Representatives passed the \$500 billion bill including five years of tax increases and spending cuts, by a weak majority vote. In the Senate, as the affirmative and negative votes were evenly matched, the bill was passed narrowly by the decisive vote cast by the vice president and Senate president Al Gore. As Clinton's short-term economic stimulus plan failed to pass, there was no way to implement the measures for investment in capital construction and job creation.

The U.S. economy is now improving. In the third quarter of this year, the economy grew at an annual rate of 2.7 percent, which was higher than the two previous quarters but lower than in the same period last year. The unemployment situation has not improved remarkably, and the foreign trade deficit is still growing.

Health-care reform is the second priority item the Clinton administration submitted to Congress after assuming office. As the current U.S. health-care system has broken down because of accumulated malpractices, reform is imperative.

There has been drastic expansion in medical expenses, which are as high as \$900 billion a year, or 14 percent of the U.S. gross domestic product. The heavy medical cost burdens have not only hampered economic investment, but are one of the reasons the federal financial deficit stayed so high. The other reason is that 35 million people are unable to buy health insurance. Therefore, in the United States, health care is an economically and socially difficult problem.

During nine months of investigations and study, the National Health Insurance Reform Group headed by Mrs. Hillary Clinton worked out a health-care reform plan whose anticipated goal was to enable everybody to enjoy medical insurance while cutting medical costs. In this regard, the plan has won the support of the great

majority of people. However, as the reform plan touched the interests of all states, enterprises, and industries concerned, it has sparked debates. Because of this, when it is debated in Congress, there will be definite trials of strength.

Public order has always been a problem plaguing the U.S. Government.

In recent years, drug trafficking, murder, and other vicious cases have continuously emerged and the demand for the government to improve public order has been building up. The Clinton administration has submitted a plan to Congress, under which \$3.4 billion will be allocated for crime-fighting. The police will get a reinforcement force of 50,000 personnel within five years, imports of guns will be restricted, and criminals will be severely punished. However, it is difficult to predict whether or not the plan will be passed by Congress and if it will indeed help to improve social conditions.

Even with the end of the Cold War, all is not quiet in the world. New contradictions have surfaced and competition in the world economy has become more acute. The status of the United States as the only superpower in the world is facing a grim challenge. In order to continue holding the leading position in global affairs, the Clinton administration had to concentrate a considerable portion of its efforts on foreign affairs.

The moment he assumed office, Clinton stated the "three pillars" of U.S. foreign policy: Ensuring the United States' "economic security," reorganizing and updating the Armed Forces so as to cope with post-Cold War threats, and promoting Western values such as "democracy" and "human rights." Of these, the most important was setting the "promotion of economic security" as the prime objective of his foreign policy and stressing that U.S. security in the post-Cold War era depends on both powerful military and economic forces.

Putting the economic issue in the central position of foreign policy is a first in the post-war history of the United States. This is the greatest difference between the current administration and the previous ones. Thus, there are new priorities in U.S. foreign economic and trade policy. Put another way, the United States will place greater stress on enhancing U.S. competitiveness in the world, make foreign affairs serve the economy, and open up international markets to promote the export of American goods and services under the banner of "fair trade."

In diplomatic activities over the past year, President Clinton and his senior officials gave priority to trade and the economy, whether in the Tokyo summit of seven Western countries or bilateral and multilateral talks. As a result, the economic and trade friction between the United States and major Western countries became more intense.

The Clinton administration made tremendous efforts to promote the signing of the North American Free Trade Agreement, the conclusion of an agreement in the Uruguay Round of talks, and the convention of the Seattle conference of the Asia-Pacific Economic Cooperation Organization, so as to create a favorable external environment for the stimulation of the U.S. economy.

In view of the Asia-Pacific region's high economic growth in recent years, the Clinton administration has attached greater importance to the region in its foreign policy. The first meeting of top Chinese and U.S. leaders in four years marked a readjustment made by the United States in its China policy.

After conducting explorations for some time, the Clinton administration adjusted its defense policy. While continuing to appropriately cut the military budget and the size of the Armed Forces, the administration gave priority to improving the quality of the Armed Forces and worked hard to establish a powerful, and rapidly moving military force. Apparently, maintaining powerful military might is still an important pillar of the administration's post-Cold War foreign policy. With military strength as the backing, the United States will cope with regional conflicts, get involved in regional and international peacekeeping operations, or prepare to "win two regional wars" if necessary. However, in day-to-day international affairs, while stressing its own leading role, the United States strives to rely on multilateral cooperation and the United Nations organization for support, and avoids acting singly or resorting to force. Naturally, this does not mean ruling out the possibility of taking independent action.

In the past year, considering itself to be the only superpower in the world, the Clinton administration energetically promoted U.S. values such as "democracy," "freedom," and "human rights," and even interfered in other countries' domestic affairs. It is only natural that this forcing of views on others met resistance from many developing countries.

The United States, on the regional conflict issue, intensified its military intervention in several new hot spots after the end of the Cold War: Bosnia-Herzegovina, Somalia, and Haiti. However, since it repeatedly suffered setbacks because of resistance from local factional forces and policy differences among its allies, the United States had to make an appropriate retrenchment. On Middle East issue, the United States brought its "complete partnership" role into play and actively promoted the signing of an agreement by the Palestine Liberation Organization and Israel in Washington, thus opening new vistas for comprehensive peace in the Middle East.

In a sentence, there have been gains and losses in the Clinton administration's foreign policy. More often than not, its subjective intentions contradicted the objective realities, so the administration was unable to attend one thing without neglecting the other.

In the new year, U.S. foreign policy will face numerous challenges.

Jiang Zemin Talks With U.S. Visitors

*OW3012032093 Beijing XINHUA in English 0223
GMT 30 Dec 93*

[Text] Beijing, December 30 (XINHUA)—Chinese President Jiang Zemin met here this morning with U.S. Foremost Group's chairman and chief executive officer James Si-cheng Chao and his wife Ruth Mu-lan Chao.

U.S. Senator Mitchell McConnell and his wife Elaine L. Chao, president of the United Way of America, were also present at the meeting in Zhongnanhai.

The U.S. guests arrived in Beijing Wednesday [29 December] at the invitation of the China State Shipbuilding Corporation.

Southeast Asia & Pacific

Thai Princess To Visit 4-17 Jan

*OW3012031493 Beijing XINHUA in English 0259
GMT 30 Dec 93*

[Text] Beijing, December 30 (XINHUA)—H.R.H. Princess Maha Chakkri Sirinthon of Thailand will pay a goodwill visit to China from January 4 to 17, 1994 at the invitation of the Chinese Government.

A Chinese Foreign Ministry Spokesman made the announcement here today.

Near East & South Asia

Reports on Pakistani Prime Minister Bhutto's Visit

More on Talks With Jiang Zemin

*BK2812154293 Islamabad PTV Television Network in
English 1400 GMT 28 Dec 93*

[Text] Formal talks between Prime Minister Ms. Benazir Bhutto and her Chinese counterpart Mr. Li Peng were held in Beijing today. Pakistan Television representative Ziauddin Bhat reports that during the talks spreading over two hours, the two leaders are understood to have discussed the international situation, bilateral matters, and regional issues, including Kashmir. Among others, Foreign Minister Sardar Asif Ahmad Ali; Defense Minister Mr. Aftab Shaban Mirani; and the minister of state for commerce, Mr. Ahmad Mukhtar, assisted the prime minister in the talks. From the Chinese side, Vice Premier and Foreign Minister Mr. Qian Qichen; the Minister for Communication Mr. Huang Zhendong; and the minister of chemical industry, Madame Gu Xiulian, were present at the talks. Our representative adds that the exchange of views at the highest level is a special feature of Pak-China relations.

Pakistan and China today signed four agreements after talks between the prime ministers of the two countries. These agreements were on border trade, scientific cooperation, bilateral road transportation and provision of 80 million yuan Chinese loan to Pakistan. Under the border trade agreement, the quantum of trade has been increased to 2 billion rupees. Prime Minister Ms. Benazir Bhutto and the Chinese premier, Mr. Li Peng, along with members of their entourage were present during the agreement signing ceremony. The two countries have also agreed to declare Punjab and Jiangsu as twin provinces.

Ms. Benazir Bhutto called on the Chinese president, Mr. Jiang Zemin. Members of her entourage were also present. The two leaders discussed matters of mutual interest and bilateral relations. President Zemin recalled his stay in Pakistan during the construction of Taxila Heavy Mechanical Complex. The prime minister said Mr. Zemin is a true friend of Pakistan who is thoroughly familiar with the country. Ms. Benazir Bhutto said Pak-China friendship based on mutual respect and understanding will move from strength to strength in future.

In Beijing, the prime minister, Mr. Benazir Bhutto, visited the mausoleum of the great Chinese leader Mao Zedong. Members of her entourage accompanied her and stood silent for some time to pay homage to the great leader. Flowers were placed at the mausoleum. Mao Zedong led the epic struggle for the independence of China and then laid the foundation for the rapid economic and industrial development of his country.

Talks With Li Peng Viewed

BK2912035793 Islamabad Radio Pakistan Network in Urdu 0200 GMT 29 Dec 93

[Text] Prime Minister Ms. Benazir Bhutto has briefed PRC Premier Li Peng on the situation in occupied Kashmir. During her talks with the Chinese leader in Beijing yesterday, the prime minister said that Indian atrocities have intensified since the announcement of the Pakistan-India foreign secretary-level talks, adding that these atrocities continue unabated. The ratio of Indian troops deployed in the occupied Kashmir now is one

soldier to every four adult Kashmiris. She said that the Indian occupation forces have not lifted the siege of the Hazratbal shrine and the Kashmiris are still not being allowed to offer prayers in the shrine.

Li Peng said that the main cause of the current instability is hegemony and power politics. He said that China opposes hegemony both at regional and global levels. Li Peng also said that his country is ready to make efforts with Pakistan for a new world order.

Referring to the expansion of the UN Security Council, the Pakistani prime minister said that Pakistan favors appropriate expansion in the council membership. She said that Pakistan cannot support the countries for the council's permanent membership which have been refusing to implement the principles of the UN Charter and Security Council resolutions. Ms. Bhutto also apprised the Chinese leader of Pakistan's stand on Bosnia-Herzegovina and Azerbaijan. She stressed the need to adhere to the principles of the UN Charter in resolving these issues.

Ambassador Donates Money to Bangladesh Group

OW3012122493 Beijing XINHUA in English 1048 GMT 30 Dec 93

[Text] Dhaka, December 30 (XINHUA)—Zhang Xujiang, Chinese ambassador to Bangladesh, donated on Thursday [30 December] 180,000 taka (4,500 U.S. dollars) to the rural development organization of Bangladesh.

At the check handing-over ceremony held at the Chinese Embassy, the ambassador spoke highly of the efforts made by the organization to boost rural development and help school dropouts in the rural areas.

"The money I have donated, though only a small sum, expresses my feelings to the people of Bangladesh and your successful work," Zhang said.

According to leading members of the organization who were present at the ceremony, the body is carrying out a number of health and education programs in the rural areas and has set up 19,000 schools and enrolled 600,000 rural children, 70 percent of whom are girls.

Political & Social

Steps Reportedly Taken 'To Forestall Urban Unrest'

HK3012031093 Hong Kong SOUTH CHINA
MORNING POST in English 30 Dec 93 pp 1, 8

[Report by Willy Wo-lap Lam]

[Text] The Chinese Government is rushing food supplies to its cities and deploying riot squads in an apparent effort to forestall urban unrest sparked by hyperinflation. Central and local governments have called emergency meetings to discuss ways to suppress prices and to boost law enforcement in the runup to the Lunar New Year, traditionally a time of tight money and big demands on consumer products. Beijing has also reimposed controls by setting ceilings on the prices of dozens of goods and services.

The steps were taken even as the People's Bank of China announced yesterday that a unified floating foreign exchange rate system would be introduced on January 1. The long-awaited currency reform, which would devalue the yuan by 50 percent, and the imminent introduction of value-added taxes and other levies is expected to spawn more panic buying.

Chinese sources in Beijing said that faced with the spectre of urban unrest, the leadership will underwrite cheap supplies of food and consumer products during the festive season in a reversal of an earlier decision to cut such costs from the budget. Overturned, too, was Beijing's ban on units handing out subsidised food and New Year gifts to civil servants and urban workers.

The PEOPLE'S DAILY [RENMIN RIBAO] reported yesterday that the Beijing municipal government had purchased commodities worth five billion yuan (HK\$6.7 billion) to stock the markets during the New Year and the Lunar New Year periods. The party mouthpiece quoted a local official as saying the funds were 20 percent more than last year. The DAILY added that extra consignments rushed into Beijing included "large quantities of industrial goods for daily use and garments in complete varieties". The city government also entrusted state-owned commercial enterprises to buy four million kilograms of vegetables, 10,000 tonnes of pork, and "sufficient" grain, cooking oil, beef, mutton and eggs.

Similar measures were taken in cities that had logged inflation rates of more than 20 percent in the past year. The national press yesterday also reported that major cities next year would be guaranteed "sufficient supplies and rich varieties" of nonstaple foodstuffs including meat eggs and vegetables. They said "no obvious price fluctuations" were expected for these essential items because of government interference. Both central and local-level governments have started building more "bases" to increase the reserves of non-staple foodstuffs.

At the same time, the State Planning Commission (SPC) has issued a circular demanding that departments concerned with monitoring inflation strengthen their work on the examination and control of prices during the two festivals. "The focus of price inspections during the New Year and Lunar New Year is consumer products and services that are closely linked to people's livelihood," the SPC said adding that in large and medium-sized cities, the prices of grain, oil, meat, eggs and vegetables should be constricted. The circular said "strict treatment" would be accorded to units which charged prices beyond ceilings fixed by municipal governments or which realised profits in excess of approved margins.

Price freezes of varying degrees have hit service sectors including transport, hotels, restaurants, hairdressers, clinics, sports and entertainment, and the repair trades.

In a dispatch last night, the semi-official CHINA NEWS SERVICE quoted the Vice-Governor of Guangdong, Ou Guangyuan, as proposing five emergency measures to depress grain prices, which had risen by 30 percent in the southern province "within a short period". For example, the price ceiling for a popular brand of rice is being fixed at 100 yuan for 50 kilograms. Mr Ou said "severe punishment" would be meted out to hoarders, profiteers and speculators.

Chinese sources said that after a marathon series of meetings over the past two weeks, the Politburo and the Central Committee's Political and Legal Commission had authorised cities susceptible to disorder to deploy extra police and paramilitary law-enforcement units. XINHUA (the New China News Agency) reported yesterday more than 600 patrol policemen, including 15 women would from January 1 be watching over Beijing's Chongwen and Haidian Districts round-the clock. Public security spokesmen said their duties would be to "observe and maintain public security along the streets and public squares and attend to the needs of the people and to handle on the spot acts of violating the law."

Chongwen encompasses the central railway station where thousands of travellers and peasants searching for city jobs gather every day. Haidian also has a large migrant population and incorporates universities which were the epicentre of the 1989 democracy movement. Round-the-clock patrols have also been introduced in cities including Shanghai, Guangzhou, and the Shenzhen and Zhuhai special economic zones.

Security sources said Beijing had also deployed crack paramilitary units including anti-riot brigades in these cities. Such elite corps staged exhibitions and other shows of foreign coastal areas earlier this week. For example, on Monday, a special police task force of 80 mounted a two-hour-long "military parade" in Zhuhai in a bid to scare off de-stabilising elements.

The semi-official HONG KONG CHINA NEWS AGENCY last night quoted the new police chief of Shenzhen, He Jinghuan, as saying that the municipality would "concentrate its elite troops" on fighting disorder

during this sensitive time. Mr He revealed that a crack unit comprising 1,500 policemen and officers of the paramilitary People's Armed Police had been formed to deal with major incidents. However, security source said the police and anti-riot platoons were also targeting anti-government activities that might arise because of frustration over high prices.

Shanghai Court Rejects Dissident's Appeal on Sentence

HK2912072093 Hong Kong SOUTH CHINA MORNING POST in English 29 Dec 93 p 8

[Unattributed report]

[Text] The Huangpu District Court of Shanghai yesterday turned down an appeal by dissident Fu Shenqi against his three-year sentence to a re-education-through-labour camp in Jiangsu.

Fu, whose activism dates from the late 1970s, was detained in the summer for allegedly instigating a hunger strike by four other Shanghai dissidents. It was the second time that Fu's appeal lodged in the form of a civil litigation against the Government, had been turned down.

His relatives in Shanghai claimed yesterday the Huangpu court had violated its own regulations by not allowing Fu to appeal in court and by not conducting an open hearing.

"We were told the hearing would start at 1 pm", a relative said. "Yet when we went there at 12.45, we were told the verdict had already been made. We were not shown any documents".

Relatives said Fu's wife, Li Liping, who engaged in a long dispute with court officials, had been detained.

Deng in Jiangsu; 'Avoided' Mao Centenary Events

HK3012032993 Hong Kong MING PAO in Chinese 30 Dec 93 p 2

["Special article" by Ou Szu (0575 1835): "While Beijing Was Celebrating Mao's Birthday, Deng Xiaoping Was Not in the City; He Is Resting on the Shores of Tai Hu, and Only Talks About Party Building With Local Leaders"]

[Text] According to informed sources in China, CPC elder Deng Xiaoping left Beijing for the south almost a month earlier than he has done in recent years; at present, he is staying in a certain sanatorium by Tai Hu in Jiangsu Province, away from the cold weather of the north. An informed source said that this unusual move by Deng Xiaoping seems to be related to activities commemorating the centenary of Mao Zedong's birth in Beijing on 26 December, and it seems that he has deliberately avoided the scene.

The informed source said that for years, Deng Xiaoping would leave Beijing for the south at the end of December or in early January to stay away from the cold weather, but this year he left Beijing on 10 December, and this is unusual as it is nearly one month earlier than usual.

Concerning the elections for deputies to grass-roots people's congresses, which were conducted in Beijing after his departure, the official media all used the word "participated" and not "attended" to describe Deng Xiaoping's voting activities, whereas photographs issued by the press showed only Jiang Zemin and Qiao Shi, not Deng Xiaoping; if Deng Xiaoping was in Beijing and attended the voting activities, it would have been impossible not to have his photo issued.

The informed source disclosed that after leaving Beijing on 10 December, Deng Xiaoping first went to Jinan and Nanjing for a rest, and eventually arrived Jiangsu and checked into a military sanatorium by Tai Hu. He was accompanied by Yang Dezhong, the person in charge of the CPC Central Committee General Office, and Lieutenant General Li Jijun, the person in charge of the General Office of the Central Military Commission.

According to information, Deng Xiaoping met with the party, government, and military leaders of the places he dropped by and discussed two problems with them. First, the building of party organizations at various levels; and second, building ideology among leading party cadres. During the discussions, the hot topic of the centenary of Mao Zedong's birth was not broached.

The informed source guessed that Deng Xiaoping's trip to the south before the usual time was a sign of his deliberate avoidance of the large-scale activities in Beijing commemorating the centenary of Mao Zedong's birth. The source also pointed out that the section of Jiang Zemin's speech at the meeting to commemorate Mao's centenary on Deng Xiaoping's assessment of Mao Zedong were not recent remarks by Deng Xiaoping, but could be found in volume three of the "Selected Works of Deng Xiaoping." In addition, none of the elders, such as Wan Li, Gu Mu, Lu Dingyi, and Peng Zhen publicized their viewpoints or showed their faces regarding the Mao centenary, and this provides food for thought.

Li Peng Calls For Improving Party Organizations

OW2912170893 Beijing XINHUA in English 1547 GMT 29 Dec 93

[Text] Beijing, December 29 (XINHUA)—Premier Li Peng called today on organizations of the Chinese Communist Party at all levels to step up the work of the party in a bid to help create a socialist market economy.

Addressing a conference on the party's work in central departments, Li, a Standing Committee member of the Political Bureau of the party Central Committee, said: "Central departments assume important responsibilities in deepening the reform, expanding China's economy and maintaining social stability."

"We must unify our thinking, act in keeping with the party Central Committee and ensure the implementation of government policies and orders to the letter," he told the conference, which closed here today.

He noted that it is imperative to correctly handle the relationships between reform, economic development and stability in order to make sure that various new reforms will be carried out smoothly and that the national economy will grow in a "sustained, rapid and healthy manner" in 1994.

Party organizations at all levels must see to it that they bring into full play their role as a powerful fighting force and that party members play a role as vanguards and models in their work, he said. In the course of the reform, opening up and the modernization, he said, it is imperative to place equal emphasis on the reform and economic growth on the one hand, and combating corruption and the promotion of ideological and cultural progress on the other.

Reportage on NPC Standing Committee Session

Law Enforcement Report Given

OW2912021293 Beijing XINHUA Domestic Service in Chinese 0916 GMT 27 Dec 93

[Text] Beijing, 27 Dec (XINHUA) — Wang Shuwen, vice chairman of the Eighth National People's Congress [NPC] Law Committee, delivered a report on inspecting the implementation of the Decision on Punishing Crimes Related to Production and Sales of Fake and Shoddy Commodities and other laws to the fifth meeting of the Eighth NPC Standing Committee today.

In accordance with the arrangement made by the NPC Standing Committee on inspection of law enforcement in 1993, the Law Enforcement Inspection Group, formed jointly by the NPC Law Committee, and the NPC Education, Science, Culture, and Public Health Committee, visited seven provinces (municipalities), namely, Jiangsu, Zhejiang, Tianjin, Henan, Hebei, Guandong, and Fujian; and 27 cities and counties under them from the beginning to the end of November this year. The group inspected the enforcement of the Decision on Punishing Crimes Related to Production and Sales of Fake and Shoddy Commodities, the Product Quality Law, the Food Hygiene Law (for trial implementation), the Pharmaceuticals Administration Law, and the Commodity Inspection Law.

Wang Shuwen said: The result of the inspection indicates that the implementation of these five laws have produced initial effects. Particularly since the promulgation and implementation of the Decision on Punishing Crimes Related to Production and Sales of Fake and Shoddy Commodities and the Product Quality Law, various localities have implemented them seriously. Attaching great importance to the implementation of these laws, leaders of people's congresses and governments at all levels have widely launched publicity and

education on the legal system; have conducted law enforcement inspections, and investigated and dealt with a number of lawless persons; and have cracked down on fake products while controlling the circulation of inferior commodities and promoting sales of quality products. All in all, the fight against counterfeit and inferior products has achieved results for the current stage in various localities; the rampant trend of making and selling fake and shoddy commodities have been curbed to a certain extent; and product quality has somewhat improved.

Wang Shuwen said: In the course of inspection, the inspection group has also found some problems, the major ones of which are:

1. Various unlawful and criminal activities in making and selling fake and shoddy commodities are still very rampant. The phenomenon of counterfeiting famous brands and fast selling merchandise is still very conspicuous, and these include commodities related to people's health and safety and to industrial and agricultural production, with such items as foodstuffs, pharmaceuticals, low-pressure electrical appliances, building materials, seeds, and chemical fertilizers assuming very large proportions. Major criminal cases have increased, involving an increasingly large volume of illegal operations; activities related to production of fake and shoddy commodities are of repetitive and multiple nature. Among the principal participants involved in unlawful practices and crimes, individual operators and jobless people feature prominently, while law-breaking methods have become even more crafty and concealed.

2. Many weak links still exist in the struggle against the circulation of counterfeit and inferior products: publicity and education on the legal system is not penetrating enough; local protectionism and the imposition of fines in lieu of punishment are rather common; the struggle against counterfeit and inferior products has proceeded unevenly; and personnel are understaffed and budgets are tight in law enforcement as strongly reflected by various localities.

In light of these problems, Wang Shuwen proposed in his report: It is necessary to further improve the publicity and education of the legal system; to fully realize the long-term, arduous, and complicated nature of the struggle against fake and shoddy commodities and foster a mentality for protracted fight; to strengthen supervision and fully utilize legal means to strike at local protectionism and rectify the practice of imposing fines instead of meting out punishments; to solidify the strength of law enforcement personnel to form a network for cracking down on counterfeiting activities; and to further improve the legal system.

Minister Wu Yi on 1993 Foreign Trade

OW3012134093 Beijing XINHUA Domestic Service in Chinese 1007 GMT 27 Dec 93

[Text] Beijing, 27 Dec (XINHUA)—Wu Yi, minister of Foreign Trade and Economic Cooperation, said today:

After advancing to a higher level in 1992 and under the general environment of a rapidly developing national economy, China's foreign economic relations and trade have continually maintained a favorable development trend since the beginning of 1993. We have achieved new progress in various undertakings and tasks, and the overall situation is favorable.

Entrusted by the State Council, Wu Yi reported to a general session of the fifth meeting of the Eighth National People's Congress [NPC] Standing Committee on the work of promoting foreign economic relations and trade.

Commenting on the achievements of foreign economic relations and trade work, Wu Yi said: In 1993, China's foreign trade continued to grow. It is expected that the total foreign trade value for the whole of 1993 will reach \$192 billion, of which export value will be \$92 billion and import value will be \$100 billion, with a trade deficit of \$8 billion. We can fulfill the target, set by the First Session of the Eighth NPC, of a 11.7 percent increase in the 1993 foreign trade volume over that of 1992. From January to October 1993, the number of newly approved projects with direct foreign investment across China was 68,365 units; the volume of foreign investment contracted amounted to \$91.42 billion; and actual foreign investment totaled \$17.58 billion, increasing by 103 percent, 141 percent, and 148 percent respectively, over the same period of 1992.

While conducting reform, we have continually made progress in rendering economic and technical aid to foreign countries. In 1993, we provided economic and technical aid within our capability to developing countries in Asia, Africa, Latin America, and the south Pacific region. We funded 272 projects in 72 recipient nations, and the implementation of these projects has been satisfactory. Furthermore, we have also made new progress in various undertakings including the import and export of technology; cooperation with foreign countries regarding contract engineering projects and labor services; and multilateral and bilateral economic relations, trade, and cooperation between China and the United Nations' development fund as well as other international organizations.

Wu Yi identified problems existing in foreign economic relations and trade work in six aspects: The sluggish increase in exports but rapid rise in imports; poor quality of export commodities; disorganized foreign trade management system; inadequate macroeconomic regulation and coordination that cannot keep up with the demand of the situation and tasks; the poor ability of a considerable number of foreign trade enterprises to cope with changes, thus becoming passive in fierce competition; and relatively dormant macroeconomic administration over the work of attracting foreign investments. The Ministry of Foreign Trade and Economic Cooperation [MOFTEC] failed to do an adequate job in macroeconomic guidance, the study of policies and strategies, and coordination and management. In particular, it failed to

effectively handle the question of relations between delegating powers and exercising control.

Wu Yi held: The existing maladies in foreign economic relations and trade work are problems found in the course of progress. They must be resolved by deepening reform.

Wu Yi also reported on several key areas of MOFTEC's work in 1993:

- Working hard to expand exports to strive actively to fulfill the tasks formulated by the First Session of the Eighth NPC.
- Continuing to deepen reform in the foreign economic relations and trade system in accordance with the objective of establishing a socialist market economic structure.

1. Further deepen reform in the foreign trade export system. Using common practice in international trade as a reference and proceeding from the realities of export operations and the development of foreign trade as a whole, MOFTEC has adopted important new measures to deepen reform in the foreign trade export system and promulgated the "Interim Procedures for Export Commodity Management," thereby harnessing the enthusiasm of various foreign trade enterprises to expand their exports and enabling China's foreign trade exports system to be more in line with international trade standards.

2. Actively promote reform in China's imports system. By the end of 1993, China will further reduce the import tariffs on 2,898 commodities, with a general tariff reduction of 8.8 percent. China has revoked the detailed lists of all import-substitute commodities, and it will not formulate this type of detailed list in the future. Within the next four years, China will gradually eliminate most of the 53 commodities under the import license system. The "Interim Procedures for Export Commodity Management" are being drafted with the aim of reducing administrative examination and approval on imports and strengthening the guidance of the industrial policy over imports.

3. Implement a new policy to aid foreign nations and accelerate reform in the foreign-aid system. In accordance with the principles of separating government administration from enterprise functions and responsibilities, changing government functions, and shifting the operating mechanisms of enterprises, MOFTEC has carried out major reform in the foreign-aid system and reformed the system of allocating foreign aid, in a bid to increase transparency, overcome randomness, and render aid to foreign nations in an open, fair, standardized, and scientific manner.

4. Deepen reform in foreign trade enterprises and change their operating mechanisms. "The Procedures for Implementation of Changing the Operating Mechanisms of Enterprises That Engage in Foreign Economic Relations

and Trade" has been issued to subordinate departments for implementation. On the basis of a general checkup on fixed assets, a shareholding system has been trial-implemented in foreign trade enterprises. In accordance with the requirements for deepening reform in foreign trade enterprises, we have expedited the granting of foreign trade autonomy to qualified large and medium-sized production enterprises.

5. Restructure some internal organizations and perfect macroeconomic control mechanisms. MOFTEC has, on the basis of summarizing experiences, studied, readjusted, and improved the policy governing foreign investments in an effort to promote healthy growth in utilized foreign funds.

—Uphold principles, do more work, and properly handle multilateral and bilateral economic relations and trade.

—Vigorously implement the strategy of winning a market share with quality products and market diversification. After earnestly summarizing experiences in the work of upgrading product quality, MOFTEC has formulated and supervised the implementation of the "Main Points of MOFTEC's 1993 Strategy To Win a Market Share With Quality" and the "Interim Procedures for Rewards and Penalties Concerning the Quality of Export Commodities." The ministry has held publicity and education events to stress quality and credibility, and continued to promote the licensing system and ISO-9000 series of standards for export commodity quality. The State Council has promulgated the "Provisions on Rectifying Border Trade Operating Order and Curbing the Export of Fake and Inferior Quality Commodities." With the cooperation and joint efforts of all departments and localities, particularly border provinces and regions, problems caused by the export of fake and inferior quality commodities have been somewhat brought under control. At the beginning of this year, MOFTEC put forward the "1993 Overall Plan and Work Arrangements for Implementing the Strategy of Market Diversification," with particular emphasis on work in several key areas. With the concern and support of all sides, our country's foreign economic and trade market order is being gradually improved.

—Quicken legislation on foreign economic relations and trade in accordance with the demand of establishing the socialist market economic structure and further opening up to the outside world. This year, MOFTEC has included the following laws in the State Council's legislation work for the 1993 fiscal year: "Foreign Trade Law," "Detailed Rules for Implementing the Law on the Operations of Sino-Foreign Cooperative Ventures," "Detailed Rules for Implementing the Law on the Operations of Sino-Foreign Joint Ventures" (Revised), "Regulations on Anti-Dumping," "Regulations on Anti-Subsidies," "Regulations on Protection

Measures" [bao zhang cuo shi 0202 7140 2238 2457], and "Regulations on Liquidation of Foreign-invested Enterprises."

To ensure effective fulfillment of our country's commitment to foreign countries and further deepen reform, MOFTEC has continued to step up the screening of standard internal documents this year. When the task is completed by the end of this year, the degree of transparency of our country's foreign economic and trade management as well as the legal system will reach the standards specified by GATT and the memorandum of understanding on market access to Central America.

—Launch an anticorruption struggle and promote the building of good party style and clean administration in foreign economic and trade sectors.

Speaking on next year's plan for foreign economic and trade work, Wu Yi said: The situation we face in foreign economic and trade work next year will be one of the coexistence of opportunities and challenges, with more opportunities than challenges. She said: The guiding ideology for next year's foreign economic and trade work is to use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as a guide to deepen the implementation of the guidelines of the Third Plenary Session of the 14th CPC Central Committee. With deepened reform in the foreign economic and trade system as a driving force as well as increased foreign exchange earnings and improved economic efficiency as a central goal, we will seize opportunities and meet challenges. We will strive to fulfill and overfulfill various tasks in foreign economic and trade next year, and make due contributions to accelerating reform, opening up, and modernization.

Wu Yi said: MOFTEC will pay particular attention to work in two areas next year:

—We will implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee and further deepen reform in the foreign economic and trade system. First, we will improve the macroeconomic regulation and control mechanisms for imports and exports. Second, we will further decontrol operations in import and export commodities in an orderly manner. Third, we will deepen the reform of foreign economic and trade enterprises as well as reorganize state-owned foreign trade enterprises in accordance with the modern enterprise system. Fourth, we will maintain the uniformity of the foreign economic and trade policy throughout the nation to increase the degree of transparency. Fifth, we will strengthen macroeconomic regulation and coordination to maintain a good foreign economic and trade operating order.

—We will seize opportunities, fully utilize the good environment arising from reform, and increase foreign trade exports by ways and means.

Qiao Shi on Economic Legislation

*OW2912153793 Beijing XINHUA in English 1439
GMT 29 Dec 93*

[Text] Beijing, December 29 (XINHUA)—Chinese top lawmaker Qiao Shi said today that the country's legislature will in 1994 continue to step up efforts in legislation, especially economic legislation, to promote and safeguard the country's reform and opening up process.

Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC), was speaking at the closing ceremony of the fifth session of the NPC Standing Committee which began on December 20.

Qiao said the NPC Standing Committee will next year focus on making laws governing the nation's finances, banking, bills, notes and securities, which are urgently needed.

Qiao also stressed that special efforts will be made to ensure that laws promulgated are observed.

"If a law is not observed, it will mean nothing," the lawmaker remarked.

Qiao explained that some officials, under the influence of the feudal history of thousands of years, are used to solving economic and social problems by means of administrative power.

Some even break the laws by abusing their power in the interests of their own region, department or enterprise.

"Such acts are incompatible with the establishment of the market economic structure," Qiao commented.

Qiao said the supervision over the carrying out of the laws relating to the socialist market economic structure is very important to all levels of people's congresses.

"The people's congresses should urge the departments concerned to solve the problems discovered to win the confidence of the people," he told the legislators.

Qiao noted that the year 1994 will witness groups of reform measures, and each group will be crucial to China's future.

"All the reform plans must be completely fulfilled with care," he said.

He urged the legislators to take the implementation of the reform measures as their own task, and provide constructive opinions on solving problems which may lead to social instability or interruption of the reform process.

He noted that the NPC Standing Committee is mapping out a legislative plan for the next five years in an effort to build up a legal framework for the establishment of the socialist market economy.

The top lawmaker pointed out the main task for the NPC Standing Committee is to formulate laws governing the

market composition, maintaining the market order, strengthening macro-economic control and improving the social security system.

In the meantime, he said, laws will also be formulated to establish a democratic political system, improve the government functions, punish criminal activities, maintain social stability, promote the development of education, science and culture, protect the environment and beef up national defence.

Deng Xiaoping's View of Mao Zedong Examined

*HK3012133093 Beijing RENMIN RIBAO in Chinese
25 Dec 93 p 5*

[Article by Gong Yuzhi (7895 5148 0037): "Deng Xiaoping on Mao Zedong"]

[Text] 1. The 20th century is one which has witnessed great changes in the history of the Chinese nation.

During this century, there have emerged three leading figures who have led the Chinese nation in launching struggles and heading for reinvigoration. They are Sun Yat-sen, Mao Zedong, and Deng Xiaoping.

Mao Zedong set a high historic value on Sun Yat-sen. This is an appraisal by a proletarian revolutionist of a forerunner of the bourgeois democratic revolution.

Deng Xiaoping also sets a high historic value on Mao Zedong, and this is an appraisal by the core of the CPC's leading body of the second generation of the leading body of the first generation. The scientific appraisals by successors of forerunners and by the second generation of the first generation have provided us with a scientific guide in our efforts to acquire a correct understanding of history, and to carry forward and promote the great cause pioneered by our forefathers.

2. Sun Yat-sen mounted China's political stage at the end of the 19th century, when the Chinese nation was at its lowest ebb. Facing a critical situation wherein the nation's existence was in peril and wherein "tigers and eagles were eying China as their prey in an attempt to carve it up," Sun Yat-sen called his revolutionary body the "Society for the Reinvigoration of China." Since then, the slogan of "reinvigorating China" has become a key slogan which has aroused, encouraged, and unified the Chinese nation during the entire 20th century.

Among Sun Yat-sen's great achievements, one was leading the 1911 revolution aimed at overthrowing the feudal imperial system. This was China's first great historic change in the 20th century. Another of his achievements was putting forward the three new people's principles characterized by three major policies, which were aimed at pushing forward cooperation between the CPC and the Kuomintang [KMT] as well as the new revolutionary struggle against the reactionary rule of the northern warlords. After Sun Yat-sen's death, the KMT betrayed the three major policies, and carried out a

bloody massacre of communists and revolutionary people. During the 10-year civil war between the CPC and the KMT, the communists set no value on Sun Yat-sen, who was then used as a signboard by the KMT reactionaries. Though it was attributable to the historical conditions then obtaining, this itself also served to show the "leftist" thinking and narrow-mindedness of the CPC leaders at the time. It was Mao Zedong who overcome such thinking and sentiment within the party, and appraised highly Sun Yat-sen's historical position as well as the precious value of his new three people's principles as a political ideological legacy. Mao Zedong wrote his appraisal of Sun Yat-sen into his article "On New Democracy" and into his report to the seventh party congress. When giving a verbal explanation of his report delivered at the seventh party congress, Mao Zedong said: I have tried my best to present in my report all the good things about Sun Yat-sen. "This is something we should never let go of, but pass on to our sons and grandsons even when we die"; "we should have a clear mind to hold high the banner of Sun Yat-sen." The reason we should do this is that "we are taking the road of Marxism, a road of historical dialectics." ("Documents of the Party," No. 6, 1993)

That the CPC set a high value on the founder of the KMT, which was an antagonistic rival to the CPC, gives expression to the great broad-mindedness and political wisdom of the CPC leader Mao Zedong as a proletarian Marxist revolutionist.

Mao Zedong maintained the same attitude toward Sun Yat-sen not only during the period of cooperation between the CPC and the KMT, as well as during the period of the democratic revolution, but also after the founding of the PRC when the country entered socialism. His article "In Commemoration of Dr. Sun Yat-sen," as well as the last article of *The Selected Works of Mao Zedong*, entitled "Turn Our Country Into a Modern Socialist Power," are clear proof. In the latter article, which he wrote in December 1964, Mao Zedong indicated: "China's great revolutionist and our forefather Dr. Sun Yat-sen said as early as the beginning of this century that China will experience a great leap forward. His prediction will undoubtedly come true within the coming several decades." Here, Mao Zedong gave a new explanation to the "Great Leap Forward," different from the 1958 definition. He explained that this great leap forward means the reinvigoration and takeoff of the Chinese nation in the 20th century, during which China will put an end to its backwardness and catch up with advanced countries. This also serves to show that Mao Zedong, proceeding from the significance of the historical relay movement which was aimed at reinvigorating the Chinese nation, always regarded himself and the members of the CPC as "successors of the revolutionary cause founded by Sun Yat-sen."

3. Mao Zedong ascended China's political stage as one of the founders of the CPC 10 years after the revolution of 1911. At that time, his creative efforts to integrate Marxism with China's reality and to seek China's own

revolutionary road was not understood or accepted by the CPC's dogmatist leaders for a long time, and he was faced with isolation and attacks. The forced Long March of the Red Army announced the end of such a leadership. It was at the Zunyi meeting, which was held during the Long March in 1935, that Mao Zedong's leading position within the party Central Committee and the Red Army was established. As Deng Xiaoping has said: "In history, our party never had a mature Central Committee before the Zunyi meeting." It was after the Zunyi meeting that the first generation of a mature central leading body with Mao Zedong as the core gradually took shape. (Volume 3 of the *Selected Works of Deng Xiaoping*, p 309)

Because of his success in leading the Red Army to complete the Long March and arrive in Shaanxi, because of his success in opening up a new prospect in the Anti-Japanese National United Front, because of his success in persistently launching struggles against the Japanese aggressors and upholding unity and progress, and particularly because of the Yanan rectification movement and the adoption of the "Resolution on Several Historical Issues," it became the consensus of the entire party that "Mao Zedong is the embodiment of the correct line of the Chinese revolution" and that "Mao Zedong Thought is a scientific achievement gained from the integration of Marxism with the practice of the Chinese revolution." On this basis, the party called its seventh congress in 1945 and established Mao Zedong Thought as the guiding ideology of our party.

Not long after, under the leadership of the CPC with Mao Zedong as the core, the great people's revolution won a nationwide victory in 1949, the PRC was founded, and since then the Chinese people have stood up. This is another historic change China has experienced in the 20th century, greater and more earth-shaking than the revolution of 1911. Because of this change, Mao Zedong became a leader commonly recognized by the people of the entire country, and Mao Zedong Thought became the guiding ideology for the people of the entire country to study. The eighth party congress held in 1956 made a summarization of the nationwide victory of the democratic revolution as well as the achievements we had scored in the transition to socialism. All these victories and accomplishments gave New China a new flourishing look.

Under such a situation, understanding Mao Zedong's historic position and the guiding role of Mao Zedong Thought was no longer a problem.

Since then, however, our cause has suffered serious frustrations and setbacks, and the 10-year internal chaos during the Great Cultural Revolution brought calamities to our party and our people. Yet, during those 10 years, the Great Cultural Revolution was emphatically publicized as Mao Zedong's greatest contribution, and the guiding ideology of the Great Cultural Revolution was praised as the most significant development of Mao Zedong Thought. Anybody who doubted or resisted the

idea would come under attack on the charge of "opposing Mao Zedong Thought," thus throwing political ideology into total disarray and confusion.

Under such circumstances, how to make a scientific appraisal of Mao Zedong and Mao Zedong Thought became an extremely important political and theoretical issue which had a great bearing on the future and fate of the party and the country.

4. It was precisely in this situation that Deng Xiaoping moved to the center of China's political arena.

Deng Xiaoping once said: "Mao Zedong Thought has cultivated our whole generation." (Volume 2 of *The Selected Works of Deng Xiaoping*, p 138) He regards himself as one member of this generation. He was toppled three times, all in connection with his support for Mao Zedong's correct propositions as well as his persistence in making a scientific appraisal of Mao Zedong Thought.

During the war against the Japanese aggressors, as a leader of a major liberated region, Deng Xiaoping played his due role in the rectification movement of the party and in the entire process of establishing Mao Zedong Thought as the party's guiding ideology. His "Speech at the Mobilization Meeting of the North Bureau's Party School on the Rectification Movement" was one of the earliest documents which confirmed and spoke highly of the use of "Mao Zedong Thought." After the eighth party congress, Deng Xiaoping became a member of the central leading body with Mao Zedong as the core, and his speech delivered at the eighth party congress on amending the party constitution as well as his speech at a rally of 7,000 were an important contribution to scientifically appraising Mao Zedong and Mao Zedong Thought under the new historical conditions.

During the first half of the sixties, Lin Biao tried his utmost to create a cult of the individual under the pretense of setting a high value on Mao Zedong. Together with Luo Ronghuan and others, Deng Xiaoping engaged in struggles against the trend of vulgarizing and isolating Mao Zedong Thought. Deng Xiaoping was toppled for the second time during the Great Cultural Revolution on a number of charges, and this was one of them.

During the later stage of the Great Cultural Revolution, Deng Xiaoping resumed his work with support from Mao Zedong. In 1975 he took charge of the routine work of the central authorities, and carried out an overall rectification. Deng Xiaoping pointed out: "We are now faced with a major question, that is, how to publicize Mao Zedong Thought." (Volume 2 of *The Selected Works of Deng Xiaoping*, p 33) In addition, his remarks reminding people of the lesson that Lin Biao tried to isolate Mao Zedong Thought were clearly directed against the "gang of four." As a result, Deng Xiaoping was toppled for the third time under the accusation that "this rectification is singing a different tune from that of the Great Cultural Revolution." (Volume 3 of *The*

Selected Works of Deng Xiaoping, p 81) This charge was among the many fabricated by the "gang of four."

Mao Zedong's death and the overthrow of the "gang of four" marked the end of the Great Cultural Revolution. However, the then leader of the central authorities put forward the principle of "two whatevers," and continued to maintain Mao Zedong's mistake of launching the Great Cultural Revolution in his later years. Such a practice led to a bewildering situation on our way ahead. Under such circumstances, whether or not we could deliver ourselves from the crisis and bewilderment and open up a new prospect hinged largely on how we were to assess the Great Cultural Revolution, appraise the achievements and errors of Mao Zedong, and comprehend and evaluate Mao Zedong Thought in a scientific way.

With the earnest anticipation of the whole party and the people of the entire country, Deng Xiaoping took on the heavy historic task of resolving this key question.

5. How did Deng Xiaoping successfully resolve this key question?

The secret of resolving this question was to reestablish the ideological line of using practice as the only criterion for judging the truth, that is, the ideological line of emancipating the mind and seeking truth from facts; and then, based on the results of judgment by practice, to draw a demarcation line between Mao Zedong Thought, which is a correct summarization of the experience of China's revolution and construction, and his mistakes during his later years.

It mattered a great deal whether or not we were able or willing to draw such a demarcation line.

Failure to do so would have resulted in one of the following two situations:

We would not have had the courage to look squarely at the mistake of the Great Cultural Revolution, reckoned that negation of the Great Cultural Revolution meant negation of Mao Zedong and Mao Zedong Thought, and incorporated Mao Zedong's mistakes in his later years into Mao Zedong Thought when we stressed the need to uphold Mao Zedong Thought and hold high the banner of Mao Zedong Thought. This actually means that we would have continued to maintain such mistakes, and lacked the courage to straighten the mistakes. This is exactly where the harmfulness of the guiding principle of "two whatevers" lies.

Or we would, while urging efforts to correct the mistake of the Great Cultural Revolution, have reckoned that the mistake of the Great Cultural Revolution was one part of the mistakes of Mao Zedong Thought, and therefore have had doubts about whether or not we needed to continue upholding Mao Zedong Thought and continue holding high the banner of Mao Zedong Thought. This is

one of the major root causes leading to the ideological trend of totally negating Mao Zedong and Mao Zedong Thought.

Deng Xiaoping's tremendous political courage, outstanding political wisdom, and superb ability to keep situations under control are displayed by his move to draw such a demarcation line, by his sense of propriety in doing so, and by his efforts to oppose both "leftist" and rightist erroneous ideological trends. As a result, on the issue of separating the scientific principles of Mao Zedong Thought from Mao Zedong's mistakes in his later years, Deng Xiaoping was able, on the one hand, to criticize and correct Mao Zedong's mistakes in his later years with a realistic and clear-cut approach; and on the other hand, to affirm Mao Zedong's historic position and uphold and hold high the banner of Mao Zedong Thought with a realistic approach and perfect assurance. Without the realistic approach in the former aspect, we would have been unable to get ourselves out of the bewildering shadow of the Great Cultural Revolution; yet without the realistic approach in the latter aspect, we would have found ourselves negating the history of the Chinese revolution, and therefore losing our basic foothold. Only when we persistently upheld the realistic approach in both aspects could we push forward our cause, and greet the arrival of today's new period and new prospects of the socialist modernization drive, reform, and opening up.

6. The realization of this historical turn has entailed two major steps:

The first step was breaking with the ideological cage of the "two whatevers," and subjecting all instructions and policies to the judgment of practice. This move made it possible, on the basis of the results of historical practice, for us to check, acknowledge, and straighten the mistakes in these previously issued instructions and policies. The ideological weapon we needed to use to break with this cage was exactly Mao Zedong's own ideological line of emancipating the mind and seeking truth from facts, a line he always upheld from "Opposing Book Worship," to "On Practice," and then to his reemphasis of the importance of investigation and study in 1961. Deng Xiaoping is right in his remark: "If Chairman Mao was still alive, he would not acknowledge the 'two whatevers' either, for that is not Marxism or Mao Zedong Thought." (Volume 3 of *The Selected Works of Deng Xiaoping*, p 9) The reason Mao Zedong became what he was is that he never took a "whatever" attitude toward the books of Marx, Engels, Lenin, and Stalin, or toward instructions given by the Communist International. Instead, he always proceeded from China's realistic conditions, used practice as the only criterion for judging the truth, and resolved all the problems cropping up during the Chinese revolution in a creative way.

The second step was summing up historical experience and lessons, and adopting the "Resolution on Several Historical Issues Inside the Party Since the Founding of Our Country." This resolution, which was adopted

under the leadership and guidance of Deng Xiaoping, reached a historic conclusion on the mistake of the Great Cultural Revolution as well as the causes leading to the mistake. At the same time, the resolution spoke highly of the great historic accomplishments we had attained since the founding of our party and our country respectively, safeguarded the high prestige that Mao Zedong had always enjoyed in the history of our party and our country, and reaffirmed the great significance of upholding and developing Mao Zedong Thought that bears on our cause. If we say that the first historic resolution in 1945, which established Mao Zedong's position inside the party and reaffirmed Mao Zedong Thought as our party's guiding ideology, was drawn up by our party's mature central leading body of the first generation, then we can say that the second historic resolution in 1981, on reevaluating Mao Zedong's historic position and Mao Zedong Thought, was made by our party's central leading body of the second generation under new historical conditions (these new historical conditions included not only major breakthroughs in the cause led by Mao Zedong and in Mao Zedong Thought, which were brought about by the victory of the war of liberation and the construction of New China; but also Mao Zedong's mistakes in his later years as well as all major setbacks and complicated situations that plagued China's construction).

The adoption of the second historic resolution basically marked the completion of a campaign, which started after the Third Plenary Session of the 11th CPC Central Committee, to criticize the "two whatevers" and to set to rights our guiding ideology which had been thrown into disorder. In Deng Xiaoping's words, setting to rights things which have been thrown into disorder can be summarized as follows: "It is necessary to set to rights things that were once thrown into disorder by Lin Biao and the 'gang of four,' criticize Comrade Mao Zedong's mistakes in his later years, and return to the correct orbit of Mao Zedong Thought."

7. When guiding the formulation of the resolution on history, Deng Xiaoping tightly grasped the following links:

First, placing Mao Zedong's historical contributions and his mistakes in his later years in their correct positions. The former were of the first importance, fundamental, and primary; and the latter were also important but just secondary.

Second, Mao Zedong's mistakes were mistakes made by a great revolutionary, a great Marxist.

Third, Mao Zedong's mistakes in his later years were caused by a deviation from Mao Zedong Thought in a certain period and in a certain scope. The correction of such mistakes should rely on Mao Zedong Thought, and it is necessary to use this opportunity to better maintain and develop Mao Zedong Thought.

Fourth, in the course of summing up history and pointing out previous mistakes, stress should not be

placed on the responsibility of a particular individual; instead, attention should mainly be paid to analyzing the complicated historical background, analyzing the contents and causes of the mistakes, drawing lessons from the mistakes, and ascertaining the methods of correcting the mistakes and preventing their repetition. This was also the attitude advocated by Mao Zedong during the party-style rectification movement in Yanan for our party to study historical experience.

Fifth, the summing-up of history should not be focused on a particular individual's merits and demerits; instead, it should be aimed at opening the future. Previous successes are our wealth, previous mistakes are also our wealth.

Sixth, Deng Xiaoping repeatedly stressed that the responsibility for the mistakes should not be fixed upon Mao Zedong alone. The party central leading body and many responsible comrades of the central body also made mistakes. "I have my own share of responsibility for some of the mistakes made by Comrade Mao Zedong." (Volume 2 of *The Selected Works of Deng Xiaoping*, pp 260, 312) This demonstrated the realistic spirit and the moral strength and strength of personality of a proletarian revolutionary.

Deng Xiaoping said:

"The great contributions of Comrade Mao Zedong in the course of long revolutionary struggles will never fade." (ibid, p 138)

"For most of his life, Chairman Mao did very good things. Many times he saved the party and the state from crises. Without Chairman Mao, the Chinese people would, at the very least, have spent much more time groping in the dark. Chairman Mao's greatest contribution was that he applied the principles of Marxism-Leninism to the concrete practice of the Chinese revolution, pointing the way to victory." (ibid, pp 303, 304)

"Affirmation of the historic role of Comrade Mao Zedong and explanation of the necessity of upholding and developing Mao Zedong Thought is the most essential point." "The appraisal of Comrade Mao Zedong and the exposition of Mao Zedong Thought relate not only to Comrade Mao Zedong personally but also to the entire history of our party and our country. We must keep this overall judgment in mind." (ibid, pp 255, 263)

"On no account can we discard the banner of Mao Zedong Thought. To do so would, in fact, be to negate the glorious history of our party." (ibid pp 262)

These guiding principles and key links were all expressed in the "Remarks on Successive Drafts of the 'Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC'" and many other articles of Volume 2 of *The Selected Works of Deng Xiaoping*.

8. It was a matter of great importance to adopt the resolution on history. In the course of history after that,

amid the events occurring at home and abroad, unswervingly adhering to the position of the resolution on history and continuously opposing the erroneous ideological trends from both the "leftist" and rightist sides was also a matter of great importance.

In Volume 3 of *The Selected Works of Deng Xiaoping*, Deng Xiaoping often mentions our party's history and mentions the resolution on history and the historic conclusions reached by the resolution. He also uses many terse, plain, penetrating, and impressive words to give new generalizations and expositions of these conclusions.

"Why did I mention this history?" He answers himself: "Because our current line, principles, and policies were formulated after summing up the experiences of the successful periods, the unsuccessful periods, and the periods of encountering setbacks." (Volume 3 of *The Selected Works of Deng Xiaoping*, p 234)

Through mentioning the party's history after the founding of the PRC, he explains the historical inevitability and necessity of the three major changes effected after the Third Plenary Session of the 11th CPC Central Committee (namely, changing the line of taking class struggle as the key link into the line of taking the development of productive forces as the central task, changing being closed into opening up, and changing the rigid maintenance of conventions into reforms). He attaches importance to the significance of the lessons drawn from the "leftist" mistakes after the second half of 1957 and especially during the "Great Cultural Revolution" for the forming of the line after the Third Plenary Session of the 11th CPC Central Committee. He says: The "Cultural Revolution" prompted people to think about and discover our problems. Without the lessons drawn from the "Cultural Revolution," it would not have been possible for us to formulate the line and policies after the Third Plenary Session of the 11th CPC Central Committee. Why is our reform so extensive and profound? Why did we all agree with the reform and opening up policy? "The 'credit' should be given to the 10-year 'Cultural Revolution,' because the disastrous lessons were too profound." (ibid, pp 264, 265)

He says: "The lessons from the experience of 20 years and especially from the 'Cultural Revolution' tell us that we must carry out reform and must formulate new political, economic, and social policies. The Third Plenary Session of the 11th CPC Central Committee formulated a series of new principles and policies, and moved onto a new path." (ibid, p 266)

All these remarks may help us deepen our understanding of the resolution on history and deepen our understanding of the new path taken after the Third Plenary Session of the 11th CPC Central Committee. We may also better understand why we must persistently carry out reform and opening up and why we must never backtrack to the old path. This is certainly of great

significance for prompting people to continue to overcome the deep-rooted influence of the "leftist" ideological trend in our country.

On the other hand, in the last 10 years, whenever there were political storms at home or abroad, the idea of negating Mao Zedong and Mao Zedong Thought would certainly emerge.

In 1986, a reporter told Deng Xiaoping that what the current leaders advocated was different from what Mao Zedong advocated. Deng Xiaoping immediately refuted this opinion and said: "There are some differences, but certain principles remain the same. We have a 'Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC' and it answers this question." (ibid, p 174)

In February 1989, when a round of turmoil was brewing, Deng Xiaoping issued the signal that "China must not allow any disorder," and said: "We have made proper appraisals of the rights and wrongs of the historical events since the founding of the PRC, especially of the mistakes of the 'Cultural Revolution.' A proper appraisal of Comrade Mao Zedong's historical status and Mao Zedong Thought has also been made. Comrade Mao Zedong's mistakes in his later years must not be criticized excessively and improperly, because this would negate a great historical figure and also negate an important part of our country's history. This will cause confusion in people's minds and lead to political instability." (ibid, p 284)

In August 1991, when drastic turbulence appeared in the Soviet Union, Deng Xiaoping reiterated his viewpoint that "the banner of Mao Zedong Thought must not be discarded," which he mentioned when guiding the drafting of the resolution on history. He said: "It is still necessary to oppose bourgeois liberalization. When carrying out reform and opening up and when focusing our work on economic construction, we did not discard Marx, Lenin, and Mao Zedong. The ancestors must not be discarded! What we should do is clearly understand what is socialism and how to build and develop socialism." (ibid, p 369)

That is to say, Deng Xiaoping always requires us to adhere to the position of the resolution on history, to use the resolution on history as a weapon in the education and in the struggle against the erroneous ideological trend of negating and discarding Mao Zedong.

In short, with the development of the domestic situation and the changes in the international situation, the major policy decision on adopting and adhering to the resolution on history and correctly appraising Mao Zedong and Mao Zedong Thought demonstrates our party's political courage and foresight. The significance of this major policy decision for the stable and healthy development of our cause has been more and more clearly recognized by the people.

9. Deng Xiaoping required that the resolution on history should "expound the main contents of Mao Zedong Thought in general terms, especially those elements which we shall continue to implement in the future." (Volume 2 of *The Selected Works of Deng Xiaoping*, p 256)

A prominent characteristic and also a major strong point of the generalization made by the resolution on history is its exposition of the six aspects of Mao Zedong Thought's main contents, namely, the new democratic revolution, the socialist revolution and construction, the building of the revolutionary armed forces and the military strategies, the policies and tactics, the ideological, political, and cultural work, and party building. In addition, the resolution also points out that "the living soul of Mao Zedong Thought is the stand, viewpoint, and method embodied in those component parts," and thus more deeply expounds Mao Zedong Thought.

When the party began to criticize the idea of two "whatevers," Deng Xiaoping pointed out that the quintessence of Mao Zedong Thought was the idea of seeking truth from facts. "This started the discussion on taking practice as the sole criterion for testing truth." (Volume 3 of *The Selected Works of Deng Xiaoping*, p 10)

Not long after that, Deng Xiaoping further pointed out: "I think that the principles of following the mass line and seeking truth from facts are of fundamental importance in the style of work advocated by Comrade Mao Zedong." (Volume 2 of *The Selected Works of Deng Xiaoping*, p 42)

The point of independence and self-reliance was added to the resolution on history, which was drafted under the guidance of Deng Xiaoping.

Emphatically raising the concepts of "the quintessence of Mao Zedong Thought" and "the living soul of Mao Zedong Thought" and generalizing the living soul of Mao Zedong Thought into the three key points of "seeking truth from facts," "following the mass line," and "independence and self-determination" represented the major results of the second-generation central leading body with Deng Xiaoping as the core in giving new scientific exposition to Mao Zedong Thought.

In fact, in Mao's essay "Opposing Book Worship," the integrated embryonic form of these three key points of the living soul of Mao Zedong Thought had already taken shape. The three key points exist in all of Mao Zedong's works, and were enriched and developed in all of Mao Zedong's works.

We should study and carry forward the concrete scientific viewpoints of Mao Zedong Thought in all aspects, but the most important thing we should do is study and carry forward the quintessence of Mao Zedong Thought and the living soul of Mao Zedong Thought. We are now pursuing the cause of reform, opening up, and modernization, and this is a completely brand-new cause. We cannot try to seek ready-made solutions in other people's

books for the new questions we are facing. The key lies in maintaining the spirit of seeking truth from facts, following the mass line, and being independent and self-determining. Thus, we will be able to creatively study new things, solve new questions, and develop new theories.

Deng Xiaoping was right in saying that our principles and policies after the Third Plenary Session of the 11th CPC Central Committee, "in the final analysis, are based on restoring and adhering to the ideological line of seeking truth from facts as Comrade Mao Zedong advocated, and exploring China's way of building socialism according to this ideological line." (Volume 3 of *The Selected Works of Deng Xiaoping*, p 254)

"If there is any positive experience in the achievements we have scored, it is that in these years we have reiterated the principle of seeking truth from facts as Comrade Mao Zedong advocated. The success of the Chinese revolution came from Comrade Mao Zedong's deeds of combining Marxism-Leninism with China's reality and taking our own path. Now, as we conduct economic construction in China, we should also combine Marxism-Leninism with China's reality and take our own path." (ibid, p 95)

The two passages of Deng Xiaoping's opening speech to the 12th CPC National Congress on "taking our own path in building socialism with Chinese characteristics" and "handling China's affairs in the light of China's conditions and by relying on China's own strength" were precisely the most typical generalization and integration of the three key points of the living soul of Mao Zedong Thought. The three key points are also the quintessence and soul of Deng Xiaoping's theory on building socialism with Chinese characteristics. This was precisely the first point of the main content of this theory summed up by the 14th party congress. In his talks during the inspection tour to the south, Deng Xiaoping once again said that he believed in Chairman Mao's idea of seeking truth from facts. We relied on this principle to win wars in the past, and we do so when conducting economic construction and carrying out reform at present. The living soul finds expression in the whole of Volume 3 of *The Selected Works of Deng Xiaoping*, from beginning to end.

10. When commemorating a great figure in history, we should not only recall the great deeds he performed, but more importantly, we should also take over and carry forward his thought and cause. Deng Xiaoping's theory on building socialism with Chinese characteristics is precisely the inheritance and development of Mao Zedong Thought in the new period.

In the essay "In Commemoration of Dr. Sun Yat-sen" Mao Zedong wrote in 1956, he said: "It is only 45 years since the 1911 revolution, but the face of China has entirely changed. In another 45 years, that is, by the year 2001, at the beginning of the 21st century, China will have undergone an even greater change." Now, we are

commemorating the centennial of Mao Zedong's birth. Under the guidance of Deng Xiaoping's theory on building socialism with Chinese characteristics, the Chinese people are marching toward the 21st century with full confidence.

If the 19th century was a century witnessing the Chinese nation's decline and the 20th century is a century recording the Chinese nation's rise to struggle and reinvigoration, then the 21st century will certainly be a century in which the Chinese nation realizes its reinvigoration under the banner of socialism with Chinese characteristics!

Article Reviews Mao's 'Two Major Accomplishments'

HK2812135093 Beijing RENMIN RIBAO in Chinese
17 Dec 93 pp 1, 5

[Article from the "Commemorating the Centenary of Mao Zedong's Birth" column by Hu Sheng (5170 4939): "The Two Major Accomplishments in Mao Zedong's Life"; first three paragraphs are RENMIN RIBAO "abstract"]

[Text] Mao Zedong respected the Soviet Union's experience in revolution and construction, but did not believe blindly in its experience. Moreover, he waged relentless struggles against such blind faith. He established the theory of New Democratic Revolution and identified the revolutionary road of encircling cities with rural areas. These were new Marxist concepts and thoughts developed under specific Chinese historical conditions. Soviet and Comintern leaders, and "leftist" elements within the CPC supported by these leaders, doubted, negated, and rejected Mao Zedong's views. With enormous theoretical courage, Mao Zedong insisted on basing actions on actual conditions and resolutely resisted the influence of doctrinairism within and without China, gained experience from setbacks and defeats, and found a correct revolutionary road fit for China's national situation that led the Chinese revolution to victory. All these were mainly Mao Zedong's contributions, and this was the first major accomplishment in his life.

In 1956 Mao Zedong explicitly suggested that socialist construction in China should also follow a path of its own and should not copy the Soviet model and repeat its shortcomings and mistakes. Later, there were the serious mistakes of the Great Leap Forward, people's communes, and the Cultural Revolution under his leadership, but it was in his determination to cast off the influence of the Soviet model and his search for a new road fit for China's situation that he was led astray. Although China's socialist construction was still under heavy sway of the Soviet model, through Mao Zedong's directorship China was able to resist following in every footstep of the Soviet Union and firmly defied its chauvinistic baton. This is the historical explanation for

why socialist China is still on its feet amid the turmoil in Eastern Europe and the Soviet Union in and after 1989.

Following the Third Plenary Session of the 11th CPC Central Committee, the CPC, represented by Comrade Deng Xiaoping, summed up past experiences and finally determined that China's national situation was such that it was still at the initial stage of socialism, and arrived at a path that fits China's national situation—"one center, two basic points." The reform over the last decade or so has correctly continued the exploration initiated by Mao Zedong, fulfilled his wish to avoid the Soviet Union's mistakes, and embarked on a socialist path suitable to China's reality. Mao Zedong spent the latter half of his life searching for a Chinese socialist path, but did not finish with his own hands what should have been accomplished. But his great historical merit of being the initiator of such an exploration will be recorded forever in history books. This was the second major accomplishment in his life.

Comrade Mao Zedong always set great store by the Russian October Revolution and the influence of the existence of the Soviet Union on the Chinese revolution, and the experiences gleaned from the October Revolution and Soviet socialist construction. The following statement was written by Comrade Mao Zedong in 1949, which was known to almost everyone: "It was through the Russians that the Chinese found Marxism. Before the October Revolution, the Chinese were not only ignorant of Lenin and Stalin, they did not even know of Marx and Engels. The salvos of the October Revolution brought us Marxism-Leninism. The October Revolution helped progressives in China, as throughout the world, to adopt the proletarian world outlook as the instrument for studying a nation's destiny and considering anew their own problems. Follow the path of the Russians—that was their conclusion." (*Selected Works of Mao Zedong*, Vol 4, 2d edition, pp 1470-1471)

While greatly respecting the October Revolution and the Soviet Union's experience in socialist construction, Mao Zedong firmly opposed the tendency to force the October Revolution model on the Chinese revolution and demand exactly the same from China. He firmly opposed Soviet leaders (and those of the Comintern) waving the batons of their experience and interests over the heads of China.

The CPC blazed from China's practical situation a revolutionary path of Chinese characteristics and won victory. China's socialist construction has also embarked on a road of Chinese characteristics. If we had not rejected and resisted the batons of Soviet leaders back then (and the Comintern's baton before 1943, or, more correctly, the baton of Soviet leaders through the Comintern), and if we had viewed Soviet models of revolution and construction as ones we should follow and could not surpass, China would not have found its own path of revolution and construction.

Precisely because Mao Zedong respected Soviet experience in revolution and construction, but did not believe blindly in its views and experience, and moreover waged a resolute struggle against such a blind faith, he became a great leader who creatively identified the correct path for Chinese democratic revolution and led the revolution toward victory. He was also the first great leader to call on China to follow a path of its own and with its own characteristics in socialist construction.

In 1942 Mao Zedong launched a Rectification Campaign within the party with the aim of opposing subjectivism, and especially doctrinairism. Aimed against the doctrinaire tendency that ruled the party in the first half of the 1930's, Mao Zedong pointed out: We must definitely not hold up certain individual words or sentences by Marx, Engels, Lenin, and Stalin as doctrines. Instead we should study the current status in China and its history from a Marxist-Leninist stand and viewpoint and with a Marxist-Leninist method, breaking the Chinese revolution into specific problems and solving them. The Rectification Campaign brought by Mao Zedong aimed at the party itself, but his criticism of the doctrinairist deviation from China's reality must have a wider implication. In fact, the doctrinairism within the CPC in the 1930's treated all opinions from Moscow as golden rules commanding absolute compliance and allowing for no interpretation, however much they were divorced from China's reality. They had also learned from their teachers in Moscow to treat individual statements by Marx, Engels, Lenin, and Stalin as doctrines.

Even in 1938, before the launching of the Rectification Campaign, Mao Zedong had stressed that the CPC had to "learn to apply Marxist-Leninist theories to China's specific environment," saying "For the Chinese communists who are part of the great Chinese nation, flesh of its flesh and blood of its blood, any talk about Marxism in isolation from China's characteristics is merely Marxism in the abstract, Marxism in a vacuum. Hence, to apply Marxism concretely in China so that its every manifestation has an indubitably Chinese character, that is, to apply Marxism in the light of China's specific characteristics, becomes an urgent problem for the whole party to understand and solve." ("Role of the Chinese Communist Party," *Selected Works of Mao Zedong*, Vol 2, 2d edition, p 534)

Of course, the Chinese revolution had something in common with other countries'. In this respect, the Soviet Union and Comintern gave China good help. This happened mainly in the CPC's early establishment, in its infancy, when CPC members were very inexperienced and knew little about Marxist theories. For instance, like other colonial vassals, what China had at that time was not yet a proletarian socialist revolution, but a bourgeois democratic revolution. Such an understanding, when the CPC was still in its infancy, came from the Soviet Union and Comintern. However, important as that understanding was, it was still a theory at a general level, which was not enough to direct the Chinese revolution without the help of a genuine grasp of the actual situation in

China. No doubt part of the reason for the fiasco in the 1927 Chinese revolution was the disproportion between the revolutionary social forces vis-a-vis the counterrevolutionary social forces and the CPC members' lack of independent judgment. But it was also related to the remote command by Comintern and Soviet leaders, who issued orders concerning the Chinese revolution on the strength of their abstract concepts. Their representatives in China styled themselves as directors of the Chinese revolution. But as they did not understand Chinese society, when times became critical and complicated, their commands became more confused.

In the first half of the 1930's, the blind commands by the Comintern and its officials did particularly serious damage to the Chinese revolution. At that time, Chinese communists were becoming relatively independent with their own experience and, headed by Mao Zedong, had established a few rural revolutionary bases with Chinese characteristics. But, owing to a variety of reasons, the CPC was powerless to resist Moscow's baton. Orchestrated by an official from the Oriental Department of Comintern, a few young students studying in the Soviet Union (headed by Wang Ming, also known as Chen Shaoyu) who were totally inexperienced gained leadership of the party. They completely ignored China's national situation, acted on their mentors' instructions, and pushed for a whole range of "leftist" ideas. In military affairs, they discarded the strategies and tactics created by Mao Zedong and other comrades which had proved highly effective and turned over the command of the Red Army to Comintern-sent foreign army officials whose only experience was in World War I. As a result, the remarkable foundation (including Red Army revolutionary bases and all the work in White areas) arduously built up by Chinese communists were all but obliterated in the few years after the total defeat in 1927. Had the "leftist" line not been corrected by the Chinese communists headed by Mao Zedong at the January 1935 Zunyi Conference, changed the leadership, and reversed the trend, the Long March would not have been victorious and the Chinese revolution would obviously have been exposed to great danger. The Zunyi Conference, an epochal event, marked the arrival of an era where Chinese communists independently handled the problem of a revolution in their own country.

After the outbreak of the War Against Japanese Aggression, the Chinese revolution was subjected to more interference from the Comintern in 1938. Wang Ming, who held an important position in a Comintern leading organization, was sent home. With him came a way of thinking and measures which pulled the party's policy of a national unified front against Japan toward the right. It took a lot of work before the party could overcome the influence of his erroneous tendency, as Wang Ming was backed by the Soviet Union and Comintern. The whole process of the War Against Japanese Aggression proves: It was entirely necessary and workable to establish a united front with the KMT, although in the united front the party must resolutely pursue the principle of independence and the strategy of solidarity and struggle and

that of seeking solidarity through struggle. Only then could the united front be maintained until the war was won.

If we gave up struggle and banked on solidarity, the united front would inevitably fail. Although Wang Ming's attempt to pursue a rightist line within the Chinese Communist Party failed, Soviet and Comintern leaders had never understood and remained doubtful of the entire strategy pursued by the CPC in united front represented by Mao Zedong.

Due to the special nature of the historical conditions of Chinese society (especially in the sense of being different from various Western countries), there were bound to be many novel features in the Chinese revolution that books on Marxism had never discussed. The most obvious of these was the fact that the proletarian vanguards went to the most economically backward rural areas and mobilized peasants to launch armed revolution. Based on Chinese history and specific social conditions, and summing up China's experience in revolution and struggle, Mao Zedong arrived at the thinking of setting up rural revolutionary bases and found the revolutionary path of encircling cities by rural areas. This was a new Marxist concept developed under specific Chinese historical conditions. It would have been impossible to come up with and insist on such a new concept and thinking without enormous theoretical encourage. In general, bringing up new concepts and thinking always entails shattering some old traditional concepts and requires theoretical courage. What we are describing as turning some Marxist theoretical points into dogmas that inhibited people's minds and restricted people's practices was done by the Comintern and the CPSU, the world's most authoritative interpreters of Marxism. It was difficult to dare smash the shackles of this type.

This tells us why Soviet and Comintern leaders were always suspicious of the Rectification Campaign launched by Mao Zedong in the 1940's and looked upon it as a heresy. Though in the Rectification Campaign Mao Zedong touched only on problems within the Chinese Communist Party and nothing else, first, it was Wang Ming, the darling of the Soviet Union and Comintern, who came under criticism in the campaign. Second, some Soviet and Comintern leaders had a dogmatic understanding of Marxist-Leninist literature and held the Russian experience as the standard formula. Since, for instance, revolution led by the proletarian class had to be centered in cities, the Chinese problem, therefore, must and could only be solved according to this formula. The Rectification Campaign launched by Mao Zedong was in fact a challenge and a negation to the formula.

The report "Reform Our Study" written by Mao Zedong in May 1941 was the first to spell out the basic thinking behind the Rectification Campaign. The report sharply criticized people within the party who "cannot open their mouths without citing ancient Greece," describing that they "chop up history, knowing only ancient

Greece, but not China." (*Selected Works of Mao Zedong*, Vol 3, 2d edition, p 799) The "Greece" here, I am afraid, alludes to the Soviet Union. No doubt the report commends highly the "History of the Communist Party of the Soviet Union (Bolsheviks), Short Course," which was compiled and edited by Stalin. We can always deliberate on the suitability of such an evaluation. But this is how Mao Zedong puts it: "When see how Lenin and Stalin integrated the universal truth of Marxism with the concrete practice of the Soviet revolution and thereby developed Marxism, we shall know how we should work in China." (*ibid*, p 803) From this we can tell he did not treat the Soviet experience as something of a universal truth. What he valued was combining Marxist universal truth with the concrete practices of the Chinese revolution.

Comrade Deng Xiaoping said: "The Chinese revolution was carried out not by adopting the model of the Russian October Revolution but by proceeding from the realities in China, by using the rural areas to encircle the cities and seize power by armed force." (*Selected Works of Deng Xiaoping* (1975-82), p 278) If the Chinese revolution had not taken this road that fit China's national situation, but proceeded in a way deemed standard by foreign authorities, the War Against Japanese Aggression could not have been sustained and the victory in 1949 would have been inconceivable.

In June 1943, Comintern disbanded. It had exerted increasingly little influence on the Chinese Party in the few years before its dissolution. Comrade Zhou Enlai said: "At that time the Chinese Party had matured and was not liaising much with Comintern." (*Selected Works of Zhou Enlai*, final volume, p 312)

During the War Against Japanese Aggression, Soviet leaders were skeptical, to say the least, of the practice of the CPC-led troops. They could not quite understand the significance of the rural guerrilla warfare and the path of encircling cities with rural areas, just as they did not understand the strategy of maintaining struggle and solidarity within the united front. By the time of the Liberation War, Soviet leaders again did not believe the Chinese revolution could win complete victory and were convinced that it was not suitable for the Chinese revolution to win complete victory, all of which had much to do with their erroneous estimate of the global situation and their consistent failure to grasp the unique road of the Chinese revolution of encircling cities with rural areas. In giving his "30 percent-70 percent" (30 percent mistakes and 70 percent achievements) evaluation on Stalin, Mao Zedong said: "Stalin has made some mistakes in China. Both Wang Ming's "leftist" adventurism during the latter period of the Second Revolutionary Civil War and the Wang Ming's rightist opportunism early in the War Against Japanese Aggression came from Stalin. During the War of Liberation, first they said there should not be revolution, saying that a civil war may expose the Chinese people to the danger of elimination. When the civil war actually broke out, they were still skeptical about us. When the war was won,

there was the suspicion that our victory was of Tito's style. There was enormous pressure on us in 1949 and 1959." (*A Reader of Mao Zedong's Works*, final volume, p 302). Zhou Enlai once said though some of his doubts about China were incorrect, once he was proved wrong by practice, Stalin may change his views. For example, "He doubted if we were genuine Marxists and that we were not struggling against imperialism. But he changed his view once the War To Resist U.S. Aggression and Aid Korea arrived." (*Selected Works of Zhou Enlai*, final volume, p 302) That is to say, even when the Chinese revolution won victory in 1949, Stalin was deeply suspicious of the CPC. Apparently the suspicion focused on Mao Zedong, the most creative theory builder of all CPC leaders. Comrade Deng Xiaoping said: "During Stalin's time, the Chinese Party achieved victory in the Chinese revolution only by not listening to Stalin on some key issues." (*Selected Works of Deng Xiaoping*, Vol 3, p 27) **Mao Zedong should be given the main credit for the fact that the Chinese party insisted on grounding themselves in reality and resisting foreign pressures.**

Comrade Deng Xiaoping pointed out very aptly: "Chairman Mao Zedong's greatest contribution was that he applied the principles of Marxism-Leninism to the concrete practice of Chinese revolution, pointing the way to the victory." (*"Selected Works of Deng Xiaoping"* (1975-82), p 304) Such a merit can never be overevaluated. After repeated defeats and setbacks, the Chinese revolution eventually took a path suitable for China's national situation and won victory in 1949 under Mao Zedong's leadership. That is why Comrade Deng Xiaoping said: "Without Chairman Mao, the Chinese people would, at the very least, have spent much more time groping in the dark." (*ibid*, pp 303-304)

In 1956 People's China basically completed its socialist transformation and began to face the question of how to conduct socialist construction. Prior to this, alongside the socialist transformation of agriculture, capitalist industry, and commerce, the First Five-Year Plan had begun in 1953. The method and policy used in the socialist transformation were characterized by conformity to China's national conditions. Though it was something completely new, the experience in organizing peasants who had received land allotments during the period of the democratic revolution and in applying the policy of unity toward the national bourgeoisie was helpful in finding a path in the socialist transformation that would accommodate China's national conditions. The economic construction during the period of the First Five-Year Plan basically followed the Soviet Union's experience. This was because the CPC had only gained some experience from the construction of rural revolutionary bases, which obviously was not enough and the old society of China had not left much experience in this area that could be drawn upon.

In his speech "On The Ten Major Relationships" (*Selected Readings From Mao Zedong's Works*, Vol 2, pp 720-744) published in April 1956, Mao Zedong said: "In the Soviet Union, certain defects and errors that

occurred in the course of their building socialism have lately come to light. Do you want to follow the detours they have made? It was by drawing lessons from their experience that we were able to avoid certain detours in the past, and this is all the more reason for us to do so now." The avoidance of certain detours might have been mentioned here in reference to the socialist transformation period, and might also include the victory of the democratic revolution. In the course of building socialism, what lessons should China draw from the Soviet Union? In what ways should China be different from the Soviet Union? Mao Zedong mentioned the following specific points in his speech: First, "they laid lopsided stress on heavy industry to the neglect of agriculture and light industry." Second, "the Soviet Union has adopted measures which squeeze the peasants very hard. It takes away too much from the peasants at too low a price through its system of so-called obligatory sales and other measures." "In view of the grave mistakes made by the Soviet Union on this question, we must take greater care and handle the relationship between the state and the peasants well." Third, "We must not follow the example of the Soviet Union in concentrating everything in the hands of the central authorities, shackling the local authorities, and denying them the right to independent action." He also mentioned in this speech: "It is not right, I am afraid, to place everything in the hands of the central or the provincial and municipal authorities without leaving the factories any power of their own, any room for independent action, any benefits." Fourth, "in the Soviet Union, the relationship between the Russian nationality and the minority nationalities is very abnormal. We should draw lessons from this." Fifth, "which is better, to have just one party or several? As we see it now, it is perhaps better to have several parties. This has been true in the past and may well be so for the future. It means long-term coexistence and mutual supervision." "In this respect, China is different from the Soviet Union." Sixth, "in those days when the dogmatists headed by Wang Ming were in the saddle, our party erred on this question (the question of 'how to deal with people who have made mistakes'), picking up the bad aspect of Stalin's style of work. In society, the dogmatists rejected the middle forces and inside the party, they did not allow people to correct their mistakes; they barred both from the revolution." "They barred from the revolution those who had committed errors, drawing no distinction between the making of mistakes and counterrevolution, and went so far as to kill a number of people who were guilty only of mistakes." On this issue, Mao Zedong, Zhou Enlai, and some other comrades often urged the party never to follow the example of the Soviet Union in setting up a "security" organ which runs vertically from top to bottom, detached from the leadership of party organizations at various levels. Seventh, "we have put forward the slogan of learning from other countries. I think we have been right. At present, the leaders of some countries are hesitant and even afraid of advancing this slogan." The reference of "some countries" here is obvious. This article also said: "We must firmly reject and criticize all

the decadent bourgeois systems, ideologies, and ways of life of foreign countries. But this should in no way prevent us from learning the advanced sciences and technologies of capitalist countries and whatever is scientific in the management of their enterprises."

In this speech, Mao Zedong raised 10 problems, or 10 major relationships. He said: "It is to focus on one basic policy that these 10 problems are being raised, the basic policy of mobilizing all positive factors, internal and external, to serve the cause of socialism." Putting forward this basic policy was connected to drawing lessons from the Soviet experience. By that time, Mao Zedong had recognized that the over-centralized economic system whereby all arrangements were made according to state plans, the political system which was also marred by an excessive degree of uniformity and centralism, and the tendency of separating the socialist economy from other sectors in the world were not conducive to mobilizing all the positive factors, in and outside China, that were beneficial to building socialism. Therefore, they were not desirable. Thus, Mao Zedong came to the conclusion that China could and should find a road of building socialism that is different from the Soviet Union's and accommodates the conditions in China. At that time, this was nothing short of an earthshaking comment. Then and thereafter, the Soviet leaders and theorists regarded the pattern of the Soviet Union as the only pattern conceivable. Almost all anti- and pro-socialists around the world agreed. Antisocialists regarded the defects of the Soviet pattern as the defects of Marxist socialism. Pro-socialists generally believed that the Soviet pattern must be followed in developing socialism.

Naturally, seeing the necessity to avoid the defects and errors that had emerged in the Soviet Union and trying to find another road of building socialism that suited China's conditions does not mean that the road was already found. In the course of the democratic revolution, the CPC went through a rather long tortuous road and experienced many setbacks and failures. It was due to the summing up of its experiences, especially those of setbacks and failures, that it could finally find its own path that suited China's conditions and embark on the course to victory. The process of socialist construction had to be so, too.

In the above-quoted speech, "On The Ten Major Relationships," Mao Zedong said that factories and other productive units must have a certain level of independence linked to unity, in order to develop in a more lively way. He also mentioned some other issues, such as the need to enlarge the powers of local authorities to some extent and give them greater independence, on the premise that the unified leadership of the central authorities is to be strengthened. These were some budding fresh ideas that were to break the Soviet pattern. Other leaders of the CPC also had various new ideas at that time. For instance, in 1956 Comrade Chen Yun proposed three main bodies and three supplements (state management and collective management, planned production, and state market as the main bodies, and operation by

individuals, free production, and free market as supplements). (*Selected Works of Chen Yun* (1956-85), p 13) But for these ideas, which were in their embryonic stage, to develop into a new system that would be adequate to replace the old, they had to be subjected to a process of practice.

In 1980, Comrade Deng Xiaoping gave an interview to an Italian journalist. When the journalist asked him whether or not Mao Zedong had made mistakes, he said: "Wasn't the Great Leap Forward a mistake? Wasn't it a mistake to copy the Soviet pattern indiscriminately?" Comrade Xiaoping gave this brilliant reply from an angle of principle. But he did not mention any details about the problem of "copying the Soviet pattern indiscriminately." China's socialist construction was indeed once influenced, seriously, by the Soviet pattern. But Mao Zedong was the very leader who had the most unequivocal attitude against indiscriminate copying of the Soviet pattern. Under the leadership of Mao Zedong, the CPC during the democratic revolution rejected the "first laws under heaven" affirmed by the Soviet leaders and, by proceeding from China's specific national conditions, found their own path. This experience convinced Mao Zedong that China should also find its own path in building socialism. The fact is that he did commit the errors of the Great Leap Forward and the people's commune system and even the serious mistake of the Great Cultural Revolution, but his was not the mistake of copying the Soviet pattern indiscriminately. He was set to walk out of the shadow of the Soviet pattern and made explorations in search of a new road that would suit China's situation. In the course of such explorations, he went astray. Because he went astray and failed to find a correct answer, he was unable to extricate China from the Soviet pattern.

In "On The Ten Major Relationships," Mao Zedong said: "In the past, we followed this policy of mobilizing all positive factors in order to put an end to the rule of imperialism, feudalism, and bureaucrat-capitalism and to win victory for the people's democratic revolution. We are now following the same policy in order to carry on the socialist revolution and build a socialist country." This remark should also be considered correct. However, when drawing on the experience of an earlier time, we certainly must make a distinction between the circumstances of revolution and those of construction. It is impossible for the method of mobilizing all positive factors during the period of construction to be identical with that used in the previous revolutionary period. Errors would be unavoidable if the experience gained during the period of China's democratic revolution was applied to socialist construction without analyzing it, with the belief that this means proceeding from China's reality.

During the period of the democratic revolution, the concept of class struggle, which was closely bound up with the immediate interests of the broad masses, was employed to mobilize and put together the will and strength of the masses. Once aroused, their political

enthusiasm generated an unlimited force for destroying the enemy. But this experience should not be applied to socialist construction in a simplistic way. Mobilizing the masses by political means alone and following the policy of "taking class struggle as the key link" led to such errors as the magnification of the Anti-Rightist Campaign, the Great Leap Forward, the people's commune system, and even the Great Cultural Revolution. As a result of these errors, we made many detours in our socialist construction and suffered a great deal of losses.

As in the period of the democratic revolution, the Chinese communists also drew profound lessons from their mistakes in the socialist era. After the Great Cultural Revolution ended in 1976 and after the Third Plenary Session of the 11th CPC Central Committee, the Chinese communists, represented by Comrade Deng Xiaoping, summed up their experience in the past 20 years, especially the experience of "left" mistakes which had led to such a dangerous situation as the Great Cultural Revolution, put right those mistakes, eventually recognized the national conditions of China as a country still in the initial phase of socialism, and discovered a set of principles and policies that accommodated China's national conditions, known as "one center, two basic points."

Looking back on history, we can now see that the reason the socialist construction in our country took a tortuous path and experienced many mistakes in the space of 20 years beginning in 1957 was originally because we tried to go our own way instead of following the Soviet pattern and taking exactly the same road. In that case, while we comment on the history, can we assume that we should not have doubted the Soviet pattern and should have followed the Soviet pattern completely, so that we could have avoided the mistakes we did make? In my opinion, it is totally wrong to make such a comment.

In 1956 there seemed to be two roads lying in front of China. One was the road we actually followed in those 20 years, the other road was to imitate the Soviet Union's every move. At the time, the Soviet leaders, among others, believed that China should follow the second road. But what would it mean if China did follow? It would mean that China would be on a not-so-healthy socialist road, and also that China would become a big "satellite state" at the beck and call of the Soviet Union. Though following the Soviet example in construction and becoming its "satellite state" were not the same thing, they were indeed closely connected. History indicated that the Soviet Union during the Stalin era was already used to being in command of everything at its own will in the international communist movement. Stalin's successors failed to make a scientific analysis on where Stalin had been correct and where he had been wrong. While making a sweeping negative comment on Stalin, they carried forward, and even intensified many of Stalin's wrong styles and methods, which include posing as "an overlord party" [lao zi dang 5071 1311 8093] and interfering in and controlling the destiny of

other socialist countries with an attitude of "great-nation" chauvinism. Because the CPC leadership collective with Mao Zedong at the core took a firm stance against this, China did not end up as a "satellite state" of the Soviet Union.

Beginning in the late 1950's, Mao Zedong ignored objections from the Soviet Union and continued persistently to explore China's own road of building socialism. In the meantime, he kept a wary eye on the Soviet leaders' ever aggravating hostility toward China. Khrushchev threatened to excommunicate China and put to China straightforward demands intended to infringe on China's sovereignty and control China's destiny. Mao Zedong, leading the whole party, made an uncompromising response to this. Here, I do not intend to comment on the details of the great debate between the Chinese party and the Soviet party in the early 1960's. One must say that some of the arguments the CPC put forward during this debate were not entirely correct. Nevertheless, it was totally correct of the CPC to safeguard the country's independent sovereignty and to safeguard the right of any socialist country to follow its own path designed according to its own conditions. And it was not inapt to label as social-imperialism the actions of the Soviet Union, which had resorted to every possible means, even force of arms, to maintain the authority of its baton. Because Khrushchev and his successor Brezhnev clung to their social-imperialist stand and because Mao Zedong and his comrades maintained their unequivocal attitude of safeguarding the independence and sovereignty that the party and the state deserve, the breakup between the Chinese party and the Soviet party became unavoidable and lasted quite a long time.

It was after repeated and careful consideration that Mao Zedong made the decision of safeguarding China's independent sovereignty at the expense of breaking up with the Soviet Union in the early 1960's. At that time, the Soviet Union had great military strength and his baton was still quite effective in the international communist movement. Therefore, should the above decision be made, China would have to be prepared not only to meet the force of aggression from the north, but also to accept a completely isolated position in the world. As far as the situation within China was concerned, it would not be an easy job to turn round the long-established general respect for the Soviet Union either. Mao Zedong met with many difficult and complex situations in his life that called for correct decisions to be made. **This was one of the great decisions he made in his life that had far-reaching historical significance and testified to his ability to solve the most difficult problems with foresight.** Before 1989, some people probably doubted whether this decision was totally correct and necessary. But after a series of dramatic changes in Eastern Europe and the Soviet Union between 1989 to 1991, I am afraid nobody would underrate the decision on Sino-Soviet relations Mao Zedong made 30 years ago. If he had not made this decision at that time and if China had taken the second of the two roads discussed above and eventually become

a "satellite state" of the Soviet Union, what would have been the result? If discussions are held on this question, probably many people will give the same answer. Yet it was certainly necessary for China to normalize its relations with the former Soviet Union not long before the latter's disintegration, as the conditions were different from 30 years ago. This move laid a foundation for today's normal and friendly relations that China has maintained with the states that formerly belonged to the Soviet Union.

It is true to say that after taking the first road mentioned above 30 years ago, China, in its effort to explore its own road ahead independently, made many a detour and numerous mistakes. The fate of the party and the country was hanging in the balance during the Great Cultural Revolution. It is meaningless to discuss whether or not these detours and mistakes could have been avoided. If one says neither of the two roads is desirable and the best would be directly embarking on the post-1978 road in 1957, it would also be a meaningless hypothesis. In fact, we have experienced many detours and mistakes. It was by summing up these detours and mistakes that we managed to find a correct road that suited China's conditions after the Third Plenary Session of the 11th CPC Central Committee in 1978. This was so because the CPC has a tradition of learning from its own erroneous experiences. The formation of this valuable tradition is inseparable from Mao Zedong's effort. During the democratic revolution, Mao Zedong established the theory and policy that guided the Chinese revolution toward victory by drawing on the many mistakes repeatedly made by the party. During the socialist period, Mao Zedong also discovered the defects in the Great Leap Forward and the people's commune system and tried to correct them. But lacking a thorough understanding of the mistakes, he failed to correct them effectively. In the later stage of the Great Cultural Revolution launched by him, though he began to feel that this so-called revolution was, to say the least, not as perfect as he had envisaged, time lacked for a review and this task had to be left for his successors.

The new generation of party leaders, carrying with them the mark of the Third Plenary Session of the 11th CPC Central Committee, not only corrected the mistakes that Mao Zedong made in his old age, but also carried forward Mao Zedong's correct basic ideas. Why did this new generation of leaders emerge immediately after the Great Cultural Revolution ended? In fact, this generation had been brought up by Mao Zedong himself. They had grown up in the revolutionary practice led by Mao Zedong and under the guidance of Mao Zedong Thought, which was an integration of Marxism-Leninism and China's reality. Their outstanding representative, Comrade Deng Xiaoping, had been a member of the leadership group with Mao Zedong at the core.

Deng Xiaoping's theory of building socialism with Chinese characteristics is the continuation and development of Mao Zedong Thought. The practice in the space of over a decade since 1979 proves that the vision of

China's socialist construction that Mao Zedong had when he was alive is gradually being realized. His vision was that China could avoid the defects and errors that emerged in the Soviet Union's socialist construction and could carry out socialist construction faster and better in a way that would suit China's conditions. He also believed that building socialism should not rely solely on the initiative of the state, like what had been happening in the Soviet Union, but should be conducted by mobilizing all positive forces in the whole society and, internationally, all direct and indirect forces. **In the 1980's, the Chinese communists at last recognized that reform, opening up, and establishing a socialist market economic system is the only correct way to mobilize all positive factors.**

A few months before Chairman Mao died in 1976, some remarks he made were spreading from mouth to mouth in society. By that time, the Great Cultural Revolution seemed to be near its end, but nobody knew how the situation would develop. It was said that Chairman Mao made these remarks on 30 April that year and the content regarded his looking back on his own life and affairs after his death. This is what he said: "We have an saying in China, that 'final judgment can be passed on a person only when the lid is shut on his coffin.' Though the lid is not yet shut on my coffin, it will not be too far off, so the final judgment can be made, can't it?" The most important part of the remarks is: "I accomplished two things in my life." The first thing he referred to was the success of the democratic revolution and seizure of the state power. He said: "To this matter, there are very few objections. Only a handful of people were jabbering in my ear, suggesting that I should take that island (referring to Taiwan) back as soon as possible." Then he talked about the second thing he had accomplished: "The other thing, as you know, is the launching of the Great Cultural Revolution. This matter did not have many supporters and, instead, a lot of people were against it."

Apparently Chairman Mao did say those words on his sickbed to a small number of people at that time. Though it is hard to say if the record is absolutely accurate, it is probably very close.

Obviously, Chairman Mao was no longer confident to the hilt in his opinion of the Great Cultural Revolution by that time. But his opinion was still quite far from the judgment of history. The judgment of history on the two things Chairman Mao mentioned here is: The first one was a great success that changed China's tragic and painful fate and was to benefit future generations throughout the ages. The second was a grave mistake and a big failure.

It is understandable that Mao Zedong regarded the Great Revolution as one of the two major accomplishments of his life, because it indeed carried a very strong personal signature. But looking back on his life, people in the post-Mao period cannot agree with him in summing up

the latter half of his own life as the Great Cultural Revolution, which was such a grave mistake.

The first half of Mao Zedong's life was devoted to exploring the road of China's democratic revolution, which resulted in a complete victory. The latter half of his life was devoted to exploring China's socialist road, but this effort failed to reach the due objective. Though he experienced many twists and turns in the course of his explorations and even made such a serious mistake as the Great Cultural Revolution, history will not forget the great feats he accomplished as an initiator of such explorations.

To sum up the above discussion in this article, Mao Zedong did accomplish two major things in his life.

The first major accomplishment was that he led the party and the people to overthrow the rule of imperialism, feudalism, and bureaucrat capitalism in China and fulfill the task of democratic revolution. In order to defeat such powerful enemies in the specific context of China, the Chinese revolution could not copy any other country's pattern, but integrated the universal truth of Marxism-Leninism with the specific reality of China and followed a path of its own. Mao Zedong was brave and competent enough to resist the erroneous influence from outside China and found, and adhered to, the only road that could lead the Chinese revolution to victory. This is how he could achieve his first major accomplishment.

The second major accomplishment was that, after completing socialist transformation in a way branded with Chinese characteristics, he was committed to exploring the road of socialist construction in China. Mao Zedong was the initiator of this exploration. He led the whole party and the people of the whole nation to resist the strong influence and great pressure from overseas and launched, and adhered to, this exploration. Therefore, this historical feat achieved by Mao Zedong as the initiator of this exploration should be recorded in the history book with the strongest highlighting. Mao Zedong did not see this exploration blossoming and bearing fruit with his own eyes, but in the hands of his students, the flowers and fruit that can withstand all trials and tribulations have begun to thrive in the vast land of China.

Beijing TV Carries Mao Centenary Documentary

Part One

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[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 13 December broadcasts the first of a twelve-part documentary entitled: "Mao Zedong" to commemorate the late leader's birth centennial. The first part, which lasts for 50 minutes, is entitled: "The Monument in the Hearts of the People."

Video opens with a shot of a rising sun, accompanied by the song the "East Is Red," cutting to show a close up of Mao's face. As the introductory music ends, the unidentified narrator reads an on-screen caption: "Secretaries of the regions went to Zhongnanhai to attend a meeting; and each was treated to a bowl of noodles by Mao Zedong." Then, the narrator begins by saying: "The year 1993 marks the birth centennial of Mao Zedong. To cherish his profound memory, people all over the country are holding various commemorative activities in an organized or spontaneous way." After the video shows song and dance performances as well as painting and calligraphy exhibitions eulogizing Mao's exploits, it turns to show his cave residence in Yanan, Shaanxi where he lived for 13 years. Historical footage shows the young Mao chatting with peasants in the fields and asking them about harvests.

Reminiscing about Mao's days in Yanan, video shows local people interviewed by the CCTV documentary crew, who they describe his amiable and easy-going manner and sense of humor in dealing with ordinary people. However, Mao's former head nurse Wu Xujun says: "The chairman was very strict with senior officials. He always wanted them to first comply with the requirements they asked others to fulfill so as not to alienate themselves from the masses." She recalls an episode in the late sixties when Mao gave a simple meal of noodles to regional secretaries invited to attend a meeting in Zhongnanhai.

Historical footage also shows Mao devising and implementing the "Nanniwan project" aimed at mobilizing Red Army soldiers to engage in productive labor at Nanniwan, northern Shaanxi in 1941-42, when Japanese aggression and the Kuomintang blockade rendered the revolutionary base in financial straits. Video shows interviews with veteran soldiers who describe the selfless, heroic spirit of project participants, including martyr Zhang Side, and cuts to show a grief-stricken Mao delivering his famous speech "Serve the People" at the memorial service. Mao says: "To die for the people is heavier than Tai Shan and to work for the fascists and die is lighter than a feature." By paying profound respects to a soldier-martyr, the narrator stresses, Mao Zedong explained that serving the people is the revolutionary's outlook on life and the apex of communism.

The narrator says: In anticipation of an imminent victory in the War Against Japanese Aggression and an end to the most difficult period of the Chinese revolution in 1944, Mao cautioned senior cadres in Yanan to guard against complacency once the victory was won. After the video shows historical footage of the Second Plenary Session of the Seventh CPC Central Committee held at Pingshan, Hebei in March 1949, the curator of a local museum is shown being interviewed on Mao's speech at the session, in which he urged Chinese communists to be modest and prudent, and to guard against arrogance and rashness. According to the curator, before the CPC's headquarters was moved to Beijing in April 1949, Mao admonished senior cadres: "After the communists take

over Beijing, we should engage in socialist construction until the realization of communism; we should educate party members not to be contaminated by the sugar-coated bullets of the bourgeoisie."

However, the narrator points out, not every cadre heeded Mao's admonition, and some became corrupt and degenerated after the communist takeover of the regime. As video shows footage of Chinese people building homes amidst rubble in the early years of the PRC, the narrator recounts two major graft cases involving some 17 billion yuan at present-day value. The narrator says, after reading a report prepared by Bo Yibo and Liu Lantao on the cases, Mao called for prompt action and severe punishment of embezzlement committed by cadres under the corrosive influence of bourgeois ideas. Video shows a still picture of the execution of the two embezzlers at a mass rally in February 1952.

To underscore Mao's solicitude for the hardships of impoverished people, the video shows footage of his personal involvement in a project to bring the Huai He floods—which hit 13 million people and inundated 40 million mu land in 1950—under control; as well as his efforts in the fifties to wipe out schistosomiasis, which affected 100 million people at the time. One of Mao's attendants in his later years tearfully recalls that Mao's affinity to ordinary lasted until his death. According to the narrator, the people admired Mao and wanted to confer honors in various forms on him, but he rejected them all.

The first part of the documentary concludes at 1300 GMT, by playing a recording of Mao reading the inscription on the Monument to People's Heroes, which pays tribute to revolutionary martyrs.

The final credits note that Bo Yibo and Feng Xianzhi are the chief advisors of the documentary, which is co-produced by the Party Literature Research Center of the CPC Central Committee, the Political Department of the Chinese People's Armed Police Corps, the Chinese Film Materials Center, the Zhongnanhai Xiwan Publishing House, the Liaoning People's Publishing House, and CCTV.

Part Two

OW1712053193

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 14 December broadcasts the second of a twelve-part documentary entitled: "Mao Zedong." The second part, which last for 50 minutes is entitled: "The Choice of History."

Video opens with an on-screen prologue read by an unidentified narrator: "Deng Xiaoping has said: Without Chairman Mao, we Chinese people would, at the least, have had to grope in the dark for an even longer period of time." This is followed by historical footage of Deng Xiaoping standing atop the rostrum of Tiananmen

Gate delivering a speech on 1 October 1984, the 35th PRC founding anniversary. Deng is heard saying: "Thirty-five years ago, Chairman Mao Zedong, the great leader of the Chinese people of all nationalities, solemnly announced here the founding of the PRC, and declared that from now on we Chinese people have stood up. Over the past 35 years, we have not only brought to an end the dark history of old times and established a socialist society, but also changed the course of the history of mankind."

Then, the narrator begins by saying: "Since the beginning of the 20th century, Mao Zedong's name has appeared at every juncture of Chinese history." Explaining Mao's far-reaching influence on various aspects of Chinese life, the video shows interviews with people standing in long lines to visit the Mao Zedong Memorial Hall on 9 September 1993—his death anniversary—expressing profound admiration for the chairman; as well as herdsmen in Tibet thanking Mao and the CPC for bringing them the "happy life" they enjoy today.

In an interview with the CCTV crew, chief advisor to the documentary Bo Yibo says: "Mao's greatest contribution was, of course, the strategy of encircling the cities from the rural areas. Another was his leading the Chinese people to the socialist road. In taking the socialist road, we went through an exploratory period. As far as this question is concerned, obviously he went all out to explore the road. However, in the process of exploration, he did not find the road because of various reasons. The exploration of the socialist road itself is a major contribution. For example, the spirit we have inherited today has continued to guide us in our exploration. This is essential. Therefore, it can be said that his merits are primary. Even an overall evaluation of all of his merits and demerits cannot tarnish his image one bit as the greatest leader in not only China but also the world."

In describing the admiration for Mao abroad, video cuts to show a 1992 concert by French pianist Clayderman in Beijing, as well as interviews with retired foreign heads of state participating in the 11th International Action Council in Shanghai in May 1993, including Canada's Trudeau; Britain's Callaghan; Japan's Fukuda; France's d'Estaing; Kissinger of the United States; and Zambia's Kaunda. They comment on both his contributions and errors, and stress the important role he played in modern Chinese history.

As the documentary moves to events in Shaoshan, Hunan, Mao's birth place, the video shows his parents' house, old family pictures, and the family lineage book preserved in a local archive office. While the video continues to show various historical sites associated with Mao, the narrator recalls: As a young man, Mao was discontented with rural life and left his hometown at the age of 25 to set up the Xinmin Society, which is the predecessor of the CPC. The summer of 1921 saw a significant turning point in Mao's life—he went to

Shanghai to attend the First CPC Congress. Soon afterward, he joined Liu Shaoqi and Li Lisan in organizing a miners strike at the Anyang coal mine in Jiangxi in 1922. In 1923 Mao Zedong was elected an executive member of the CPC Central Committee at the Third CPC Congress. When the First Kuomintang (KMT) Congress was held in January 1924, it epitomized the beginning of KMT-CPC cooperation. Mao, attending the congress as a delegate from Hunan, played an active role and attracted wide attention at the congress. He was elected an alternate member of the Central Executive Committee at both the First and Second KMT Congresses. The history of KMT-CPC cooperation ended in the summer of 1927. In October, Mao led an army of peasants from the Autumn Uprising to the Jinggang Shan in the Hunan-Jiangxi border region.

While the video continues to show relics and scenery around the Jinggangshan Revolutionary Base, the narrator points out that Jinggangshan is well known at home and abroad as the cradle of Chinese revolution because it was here that Mao devised the strategy of encircling the cities from the rural areas and seizing political power with armed force. The video also shows other former residences of Mao, including a clay house in Fujian's Yongding where he convalesced from malaria in June 1929, and interviews with ordinary people in Ruijin and other places visited by Mao. With deep emotions or excitement, they reminisce about their encounters with him.

As the video goes on to show more places and pictures, and interviews with people associated with Mao, the narrator says: In October 1935, Mao Zedong led the Red Army to northern Shaanxi. The CPC's peaceful settlement of the Xian Incident in the following year facilitated KMT-CPC cooperation for the second time in the joint resistance against Japanese aggressors. Following Japan's surrender in August 1945, Chiang Kai-shek thrice invited Mao Zedong to Chongqing for talks. Attired in a brand new khaki suit and shoes, Mao Zedong stood side by side with Chiang Kai-shek for photographs. By that time, Mao had already mustered the strength of 100 million people, nearly 1 million troops, and some 1.2 million CPC members in liberated areas. When Chiang Kai-shek said: The sky over China does not allow the existence of two suns, Mao countered: We should let the people choose one of the two. Through the spread of Mao's works on revolution, resistance against Japan, democracy, and other topics, the people in both KMT- and CPC-controlled areas made the unanimous choice.

The second part of the documentary concludes at 1300 GMT, by showing historical footage of Mao and other leaders standing atop Tiananmen rostrum on 1 October 1949, while the song the "East Is Red" is played with verses shown as on-screen crawling captions.

Part Three

OW2012002193

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 15 December broadcasts the third of a twelve-part documentary entitled: "Mao Zedong." The third part, which lasts for 50 minutes is entitled: "A Tortuous Path."

Video opens with an on-screen prologue read by an unidentified narrator: "When Mao Zedong became chairman for the first time, his heart was filled with agony...." After the video shows passers-by in Tiananmen Square being interviewed by the documentary crew admitting they have no knowledge of the date when Mao became chairman, the narrator says: "Though in the hearts of people on the street today Mao Zedong has long been removed from the shrine, his brilliant exploits still live in their memory. In fact, as the Chinese Revolution traversed a tortuous path, so Mao Zedong—like Deng Xiaoping who later became the nucleus of the second-generation CPC leaders—experienced ups and downs in his personal life." While the video shows various photographs of Mao in the years prior to the PRC's founding, the narrator notes: "Very few people realize that the title of Chairman Mao began from here [Mao is seen in one of the photographs with a caption reading "taken on 27 November 1931 in Ruijin when Mao Zedong was appointed chairman of the Central Provisional Government of the Chinese Soviet Republic"]. However, the chairman's days were not easy. According to Mao Zedong, he experienced a total of 20 setbacks, major and minor." Then, the narrator goes on to describes the setbacks Mao suffered during the years of revolutionary war.

Accompanied by historical footage, photographs, and interviews of people associated with events related to Mao, the narrator recalls his first setback following the failure of the Autumn Harvest Uprising in 1927, which prompted him to lead the army to Jiangxi's Jinggang Shan area in a bid to find a permanent revolutionary base. In April 1928, he was joined by Zhu De and Chen Yi who brought their troops to Jinggangshan to place them under Mao's command. However, in an interview, researcher Feng Hui of the CPC Central Committee's Party Literature Research Center says Mao's title at that time was only division commander because CPC Central Committee disciplinary action had dismissed him from the Political Bureau for committing military speculation in the Autumn Harvest Uprising and failing to "massacre local tyrants and evil gentry." The narrator says that Mao's second setback came in June 1929 when the Red Fourth Army took Fujian's Longyan and held the Seventh Army Congress there. At the congress, Mao's views on party leadership over the army and work related to troops were rejected. Moreover, he was criticized for practicing a patriarchal system and removed from his position in the party. Dejected and in poor health, Mao left the Red Fourth Army to recuperate in

Sujiapo in Fujian's Shanghang County, where he pondered over and summarized the historical experiences and lessons of the party and army. The document he drafted in a cave at Sujiapo was later adopted as a resolution at the Ninth Congress of the Red Fourth Army. In August 1929, Chen Yi, witnessing the political impact of Mao-Zhu's Red Fourth Army on his way to Shanghai, realized that the removal of Mao from the army was a mistake. Shortly afterward Mao was reinstated.

The narrator goes on to relate that, from 1930 Chiang Kai-shek's suppression of the communist forces in the Hunan-Jiangxi border region began. In less than two years, Chiang mobilized 600,000 troops to launch three campaigns against the Red Fourth Army. Under Mao's leadership, the communist forces rallied to try to repel Chiang's suppression. However, in January 1931, with the support of the Comintern representative, the left-leaning opportunist Wang Ming became the CPC Central Committee's decision maker and subsequently left China for Comintern headquarters in Moscow, while Comintern sent a young representative to take charge of the CPC Central Committee in Shanghai. Fighting on the frontline against Chiang Kai-shek's suppression, Mao never dreamed that he was facilitating Comintern to issue and implement orders in the revolutionary base in Ruijin. On 7 November 1931, the anniversary of the Russian October Revolution, the First National Congress of the Chinese Soviet was convened in Ruijin; and 20 days later, a communist state based on the Soviet formula was founded. As a result of his election to the position of chairman of the provisional central government of the Chinese Soviet Republic, Mao lost his job as general political commissar of the First Front Army of the Red Army. Moreover, he was labelled as a right-leaning opportunist. This was his third political setback in the party.

Shortly after assuming the post of chairman of the provisional central government, Mao Zedong and He Zizhen, his second wife, left for Donghua Shan to recuperate in January 1932. In the spring of that year the Red Army failed to capture Ganzhou and was surrounded by the enemy. Mao was invited by Zhou Enlai to Jiangxi to break the siege of Ganzhou. Mao, together with Zhou, decided to take Zhangzhou instead of attaching Ganzhou because of the former's rich resources. The war booty captured from Zhangzhou boosted the morale of the Red Army. The victory of Zhangzhou brought Mao back into his army position. However, at a Central Political Bureau meeting in Ningdu in October 1932, Mao was denounced for his opposition to the attack on Ganzhou, and was again removed from his job, thus encountering his fourth setback. "Some people who were regarded as members of the Maoist faction were also ostracized. Among them was Deng Xiaoping and this was the first political setback of his life."

Devoid of Mao's leadership and military strategy, the central Soviet area could not withstand Chiang Kai-shek's fifth offensive in April 1934 and the Red Army suffered heavy casualties. The Chinese Soviet state was dissolved after three years. In October 1934, Mao and other Red Army soldiers embarked on the Long March. Along the way, a conference held in Zunyi, Guizhou in 1935, decided that Mao be elected an additional member of the Standing Committee of the CPC Central Committee's Political Bureau and take charge of the Red Army's military operations. "This is where history begins," the narrator concludes at 1300 GMT.

Part Four

OW2512021193

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 16 December broadcasts the fourth of a twelve-part documentary entitled: "Mao Zedong." The fourth part, which lasts for 50 minutes, is entitled: "A Formidable Search."

After showing an on-screen prologue read by an unidentified narrator: "Mao Zedong thought about inspecting the Huang He on horseback...." video begins with shots of brisk business scenes of the sale of Mao mementos in his birthplace in Hunan's Shaoshan; as well as interviews with peddlers who praise Mao's policies and point out they are "the same policies pursued by Deng Xiaoping today." While video shows historical footage and pictures of events, people, and places associated with Mao, the narrator says: As a young man, Mao Zedong had a great interest in China's farming society. In 1927, he conducted investigations in rural Hunan and realized the vital role of the peasants in revolution. In the ensuing years, he devoted his energies to writing more than 20 investigative reports on the rural situation and organizing peasants' movements elsewhere in Hunan and Jiangxi. His article "Oppose Book Worship," based on one of the investigative reports, later formed the backbone of his famous ideological line of seeking truth from facts, conducting independent thinking, and following the mass line.

The narrator notes that after the founding of the PRC, with the basic completion of land reform in 1952, the CPC shifted the focus of work from rural to urban areas. As video shows more historical footage and pictures, the narrator continues: The successful socialist transformation of industry and commerce in 1956 laid the foundation of the socialist system. However, with the Soviet Union as the only model, Mao decided to search for a socialist road suitable for national condition. Then, video cuts to show an interview with Bo Yibo who recalls: "When we realized the ineffectiveness of the Soviet model, we began our investigations." Bo recounts his role in organizing an extensive investigation project on Mao's instruction, pointing out that based on his briefings on the industrial, transport, financial, and trade situations in the country, Mao wrote the article "On the 10 Major Relationships."

While the video shows historical footage of Mao, Liu Shaoqi, Deng Xiaoping, and other leaders speaking at the Eighth CPC National Congress in 1956, the narrator stresses: The guiding principles set forth in "On the 10 Major Relationships" for handling relations between various economic sectors and resolutions adopted by the subsequent Eighth CPC National Congress reflected Mao Zedong and other first-generation CPC leaders' correct understanding of the realities of Chinese society at that time. "Regrettably, these principles lost their continuity in the course of implementation."

Describing Mao's rising popularity in the fifties and sixties, the video shows footage of Mao surrounded by enthusiastic crowds in Tianjin and other places. Video also shows interviews with workers of the Wuhan Steel Company reminiscing about the Chairman's inspection of the iron mill in 1958. Touching on Mao's Great Leap Forward, the narrator maintains: "The bitter history of China's century-old backwardness and humiliation by others sparked a strong national pride in Mao Zedong. He attempted to use the Great Leap Forward and the people's commune movement to instantly change China's appearance. Thus, he disregarded the objective law governing social development and caused numerous problems which he never thought of at the beginning. Though remedial measures were adopted, they were taken under the premise of affirming the Great Leap Forward and people's communes. Ultimately Mao refused to accept Peng Dehuai's suggestions at the 1959 Lushan Conference, halted the rectification campaign against leftists, and turned the spearhead of attack on right-leaning opportunists. Mao Zedong's supreme prestige separated him from the real Chinese society."

Video then shows an interview with Feng Xianzhi, director of the Central Party Literature Research Center, who says: To alleviate economic difficulties in the country, in 1961 Mao led investigation teams to rural Zhejiang, Hunan, and Guangdong, and later convened a central economic work conference in Guangzhou. After the video shows footage of Liu Shaoqi, Zhou Enlai, Deng Xiaoping, and Peng Zhen going down to the grass roots to conduct investigations, the narrator says: "Seventeen years later Deng Xiaoping, who was CPC Central Committee's general secretary in 1961, turned a new chapter in history. Following his rehabilitation, Deng, as a member of the first-generation and as the nucleus of the second-generation party leadership, boldly proposed the shift of the focus of work to economic construction." While the video shows historical footage of Deng receiving a standing ovation at the Third Plenary Session of the 11th CPC Central Committee in 1978, inspecting a military parade in an open car, and delivering a speech atop Tiananmen on national day in 1984, the narrator says: "The new search, which began a new era, again changed the course of Chinese history. Today, as we blaze a road of building socialism with Chinese characteristics, we discard bookish doctrines and do not mechanically copy foreign experiences." Then, video cuts to show Deng giving his 1984 national day speech,

saying: "Since the Third Plenary Session of the 11th CPC Central Committee was convened, we have thoroughly rectified the perverse acts committed by the counterrevolutionary clique of the 'Gang of Four,' restored and developed Comrade Mao Zedong's ideological method of seeking truth from facts, and successively implemented a series of major policies in light of the new situation, thereby bringing about a fresh change in the appearance of the nation." As the video shows a still photograph of Deng during his 1992 southern inspection tour, the narrator emphasizes: "As Mao Zedong searched for a road of Chinese revolution in the late twenties, the Chinese communists, with Deng Xiaoping as their representative, while continuing to experience difficulties in the search, have formulated the theory of building socialism with Chinese characteristics under the new historical conditions, thereby bringing hopes to China today. In retrospect, we cherish the memory of Mao Zedong's search even more."

At 1300 GMT, the narrator concludes by describing Mao's three wishes following the failure of the Great Leap Forward—first, to go down to the grass roots to familiarize himself with practical work; second, to write a book about his shortcomings and mistakes for the people; and third, to inspect the source of the Huang He on horseback. Finally, an on-screen caption reads: "A plan to realize his last wish was aborted in August 1964."

Part Five

OW2712101093

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 17 December broadcasts the fifth of a twelve-part documentary entitled: "Mao Zedong." The fifth part, which lasts for 50 minutes, is entitled: "There Is a Road in the Mountain of Books."

After showing an on-screen prologue read by an unidentified narrator: "Nobody knows how many books Mao Zedong read in his lifetime; however, he opposed book worship..." video begins with shots of a visit to the Beijing Library by Mao's grandson, 23-year-old Mao Xinyu, where he is seen talking with a librarian about books his grandfather read. Then, it cuts to show an old-style private school in Mao's native birthplace Shaoshan where he studied Chinese classics against the will of his father, a rice merchant. As the video shows people and places associated with Mao's youth, the narrator relates: In order to broaden his horizon, in 1912 Mao dropped out of high school and decided to study on his own. In six months he read books by Darwin, Adam Smith, Huxley, Spencer, Montesquieu, Rousseau, and others in the library, and was deeply impressed with the 19th-century western bourgeois ideas of democracy and science. In the next year, he was enrolled at the Hunan First Normal School in Changsha, where he acquired a solid basic knowledge of Chinese literature through extensive study and reading. As the video shows shots of Yuelu Academy, founded in 976 A.D. in Changsha, the

narrator notes: This millenary institution is linked with the names of Wang Fuzhi, Wei Yuan, Zeng Guofan, and Tan Sitong—the Chinese literary masters who Mao admired in his days at the normal school—and is famous for its practical study style. Profoundly influenced by the school, Mao devoted himself to invigorating and solidifying traditional Chinese ideas, including that of seeking truth from facts, the Chinese characters of which are today still engraved on a horizontal board in the school.

Turning to the Beijing University Library, where Mao worked as a librarian from 1918, the video shows interviews with his former associates reminiscing about Mao's thirst for Marxist-Leninist works. In 1920, he first read the Chinese translation of the "Manifesto of the Communist Party," from which he took the idea of class struggle in analyzing society and fostered a faith in communism. As Mao moved on as a revolutionary, books became indispensable in his life. He brought and packed up more books on his journey. In 1932 when the Red Army took over Zhangzhou, he picked a truck-load of books from the library, including two famous books by Lenin—"Two Strategies" and "Left-Wing Infantile Disorder," which he read over and over throughout his life. As the video shows historical footage of Mao during his years in Yanan, the narrator says: After reading voluminous books, Mao began to summarize both negative and positive experiences of Chinese revolution into theories, becoming the CPC's "indisputable political, military, and spiritual leader." In 1938 Comintern issued instructions designating Mao as CPC leader. At the seventh congress held in Yanan in 1945, in the party constitution, the CPC defined Mao Zedong Thought, which means the integration of Marxism-Leninism with the practice of Chinese revolution, as the guide for the party's work in all fields.

While the video shows shots of Mao's living-study complex in Zhongnanhai which he occupied for 17 years until 1966, the narrator says: "Aside from Marxist-Leninist works, Mao was surrounded by more books on Chinese philosophy, history, and literature. As a great learned man, he was well versed in Chinese classics. Moreover, he had the vision of a statesman. From the romantic poet Qu Yuan, he had a taste of the critical spirit and combativeness; from the Book of Odes, he drew the conclusion that ordinary people can become sages; from the 'Dream of the Red Chamber,' he read the history of feudal society. Transcending the time and space of millenniums, in his study Mao immersed himself in China's past, present, and future." Video then shows one of Mao's male attendants explaining his habits of study and everyday life, and video pans a spacious room with bookshelves on every wall and a large wooden bed in the center and piles of books covering the bed. As the video shows more historical footage of Mao studying and writing notes, the narrator points out: "Perhaps Mao's particular interest in Chinese history and literature confined, to a certain extent, his understanding of large-scale modern production as a government administrator. Nonetheless, he always

opposed book worship throughout his life. He always read books and pondered over issues in the light of practical problems in Chinese society."

The narrator continues that, in 1966 Mao moved his study-living room to one by the swimming pool. It was in this room he received foreign dignitaries. While the video shows historical footage of Mao's meetings with Former Prime Minister Heath of Britain, Kissinger of the United States, Tanaka and Ohira of Japan, the narrator, calling Mao's study room a bridge between him and the outside world, notes: While keenly absorbing knowledge of various countries, Mao quoted passages from books to explain his views on world affairs to visitors. "He demonstrated not only his personal charisma but also the sincerity of long-standing Chinese culture." Video then cuts to show an interview with Henry Kissinger by the documentary crew, and he is heard praising Mao as being "highly intelligent." To highlight Mao as an erudite scholar, the video shows shots of and interviews with staff members of the Central Party Literature Center collating the huge collection of Mao's books; some of them are annotated with notes in English.

At 1300 GMT, the documentary concludes with video of an interview with Mao's daughter Li Na and others on his great appetite for books. Finally, an on-screen post-script reads: "By the time of broadcast, we learned that there are over 91,000 books in Mao Zedong's collection. The collating work continues."

Part Six

OW2712121093

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 18 December broadcasts the sixth of a twelve-part documentary entitled: "Mao Zedong." The sixth part, which lasts for 50 minutes, is entitled: "The Sea That Takes in 100 Rivers."

After showing an on-screen prologue read by an unidentified narrator: "State affairs are affairs of the state, not those of a party or a private individual...." video begins with historical footage of CPC and Kuomintang, KMT, representatives paying tribute to the Temple of Huang Di, the legendary ruler who unified China around 4,000 B.C., on the traditional tomb-sweeping festival in the spring of 1937. As the narrator relates, in the CPC's elegy written by Mao, he again called for KMT-CPC cooperation in resisting Japan. Then, the narrator recounts the CPC's earlier calls and measures for cooperation with KMT by showing historical footage and photographs of the 1936 Xian Incident and other related events, and underlines Mao's willingness to accommodate the KMT in forming a united front against Japanese aggression in the mid-thirties. Subsequently, the CPC and Red Army changed their insignia and were incorporated into the KMT because, as Mao said in his article "The Tasks of the CPC in the Period of Resistance against Japan,"

"only by so doing can we transform the state of antagonism between the two different regimes within the country. These are principled and conditional concessions, made with the aim of obtaining in return what the whole nation needs—peace, democracy, and armed resistance."

Turning to the literary aspect of Mao's revolutionary career, the narrator notes: "Mao Zedong always advocated the use of guns as well as pens in making revolution and fighting against Japan. He opened his heart to befriend many intellectuals." In May 1942, he invited writers and artists to a forum in Yanan; the speech he made at the forum became an important milestone in the development of modern Chinese literature, the narrator adds. Then, the video shows interviews with people, and shows historical footage and photographs to explain Mao's respect for knowledge and intellectuals; and points out that after the PRC's founding Mao further proposed the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" to encourage writers and artists to freely express their views.

The narrator says Mao's responsiveness to opinions from various circles was one of the factors of his success. The video shows interviews with people, and historical footage of Mao portrayed as a broad-minded communist accepting suggestions for better troops and simpler administration from Li Dingming in 1941, the most difficult year of the Anti-Japanese War; and tolerating left-leaning Zhang Wentian, Wang Jiaxiang, and Wang Ming by including them into the CPC leadership at the seventh congress. As the narrator recounts, Mao continued to demonstrate his broad-mindedness after the victory over Japan in August 1945. Invited by Chiang Kai-shek to Chongqing to discuss joint efforts to rebuild the nation, Mao and Zhou Enlai spent their 41-day stay befriendng top KMT officials, including the spy chief Dai Jitao.

As video shows historical footage of a rousing sendoff for Mao when he departed Xibaipo for Beijing in March 1949, the narrator cites a passage from his earlier speech: "State affairs are affairs of the state, not those of a party. Therefore, Communist Party members only have the obligation to conduct democratic cooperation with non-communist figures, and have no right to reject others and monopolize everything." While the video continues to show historical footage of Mao initiating efforts to form a democratic government, the documentary interviews people concerned to show Mao's magnanimity toward KMT generals, appointing them to the central government and the Chinese People's Political Consultative Conference after the PRC's founding.

Aside from introducing a government of multiparty cooperation and democratic consultation, the narrator points out, Mao Zedong also led the establishment of a unified country comprised of different nationalities.

Then, the fruitful achievements of the implementation of Mao's policy toward Tibetans and other ethnic minorities are reviewed.

At 1300 GMT, the narrator concludes the documentary by citing Mao's dictum: "The unification of the country and unity of the people of all Chinese nationalities is the fundamental guarantee for the victory of our cause."

Part Seven

OW3012072593

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 19 December broadcasts the seventh of a twelve-part documentary entitled: "Mao Zedong." The seventh part, which lasts for 50 minutes, is entitled: "A Million-Strong Troops in His Mind."

After video shows an on-screen prologue read by an unidentified narrator: "From the courtyard of a small farmhouse in Hebei, Mao Zedong directed three major campaigns, graying a hair of his...." the documentary begins with historical footage of a ceremony, presided over by Mao and held in Beijing on 27 September 1955, to confer military ranks and medals on People's Liberation Army, PLA, officers, cutting to show a military uniform which Mao never wore on display. The narrator points out that, as president of the state and commander in chief of the million-strong PLA, Mao deserved the rank of "great marshal." However, he refused to accept the rank and wear the uniform because he viewed it as a hindrance to his contact with the masses, recalls General Song Renqiong who is seen being interviewed on video.

Then, video shows interviews with veteran PLA generals and the location of campaigns and battles directed by Mao, pointing out that his 16-character strategic principles for guerrilla warfare are still of practical significance today. General Xiao Ke extols Mao's art of war in thrice thwarting Chiang Kai-shek's attempt to encircle and annihilate the CPC's revolutionary base in Jiangxi. General Li Jukui recounts Mao's strategic move to cross the Chishui He, the border river between Sichuan and Yunnan. Professor Xu Yan of the National Defense University cites late Marshal Chen Yi saying Mao's greatness lay in his never repeating the same mistake twice.

"Mao Zedong was not a god, but he was by no means an ordinary man," says the narrator, pointing out: As Mao's prediction in his school days under Japanese aggression became a reality in 1937, the Chinese nation launched an all-out war against Japan. Taking the overall situation into consideration, as an expert on military affairs Mao deployed troops in strategic places. The establishment of anti-Japanese bases throughout northern China was crucial to the protracted war and ultimate victory of the liberation war. The strategy outlined in Mao's thesis "On Protracted War" became the guiding ideology for the war, and boosted the morale of military and civilian people in both CPC- and KMT-occupied areas, exerting a far-reaching influence at home and abroad.

While video continues to show historical footage of Mao's military exploits, the narrator recalls: After the end of the War of Resistance Against Japan, with the support of U.S. imperialists Chiang Kai-shek launched an all-out offensive to wipe the Chinese Communists out. When Yanan, the mecca of Chinese revolution, was temporarily taken over by Chiang's General Hu Zongnan, Mao calmly directed troops from cave to cave on the outskirts of Yanan. Troops led by Liu Bocheng and Deng Xiaoping formed one of the PLA's three main forces. Generals Zhang Zhen, Hong Xuezhai, and Yang Dezhi are seen being interviewed on video as they recall: When the war of liberation entered the decisive stage in the late forties, Mao stayed at Xibaipo in Hebei, sending out a total of over 190 telegrams to direct the three major campaigns in the Liaoning-Shenyang, Huaiyin-Huaian-Haizhou, and Beijing-Tianjin areas. The victory of the three major campaigns, which involved millions of troops from both the KMT and CPC, culminated in the liberation of Beijing.

At 1300 GMT, the documentary concludes with video showing an interview with Mao's former chief bodyguard Li Yinqiao who recalls a remark by Mao, who, after Li picked a gray hair for him, said: "A gray hair! It is worth trading a hair for the victory of three campaigns."

Part Eight

OW3012072793

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 20 December broadcasts the eighth of a twelve-part documentary entitled: "Mao Zedong." The eighth part which lasts for 50 minutes, is entitled: "Having the Whole World in His View," and focuses on Mao's diplomatic exploits in various periods.

After video shows an on-screen prologue read by an unidentified narrator: "At 19, Mao Zedong saw a world atlas for the first time...." the documentary begins with video shots of the Hunan Provincial Library in Changsha, where in 1912-13, Mao spotted a giant world atlas. As video shows historical footage and photographs of Mao meeting Edgar Snow, George Marshall, and Anna Louis Armstrong, as well as his article "Farewell, Leighton Stuart," written when the last U.S. ambassador to the KMT regime on the mainland left Nanjing, the narrator recalls the CPC's foreign policy; and notes that in the final years of World War II, Mao drafted a policy toward the United States, featuring joint resistance against Japan and development of bilateral cooperation. However, at the end of the war, a bipolar global structure emerged and the Cold War dominated the world for the next four decades.

While the video shows more historical footage and interviews with people associated with Mao and his diplomatic endeavors, the narrator continues: Against the international background of the post-war era, Mao visited Moscow in 1949-50 and signed a treaty with the

Soviet Union, which brought a large number of Soviet experts to China to help socialist construction. Outlining China's foreign policy in speeches at the Chinese People's Political Consultative Conference and national day celebration in 1949, Mao vowed the Chinese people's determination to achieve their goal and develop diplomatic relations with other countries based on equality, mutual benefit, and respect for sovereignty and territorial integrity. Nevertheless, Washington continued its hostility toward New China. In February 1950, U.S. and KMT air forces bombed Shanghai. Following the outbreak of the Korean war in June the same year, U.S. troops landed in Inchon, Korea and spread the war flames to the Yalu Jiang valley. Despite Zhou Enlai's stern warning, U.S. aircraft even bombed Andong, China's border city. After spending several sleepless nights, Mao decided to send the Chinese People's Volunteers to Korea.

As video continues to show historical footage, the narrator says: The outcome of the Korean war enabled China to become a force to be reckoned with in the world. While people celebrated the victory of the Korean war, no one noticed Mao's grief for losing his son Anying during the war. In 1954, at the Geneva conference China returned to the international arena. A year later, based on Mao's foreign affairs strategy, Zhou Enlai spelled out China's Five Principles for Peaceful Coexistence at the Bandung Conference. In view of changes in the international situation in the late fifties, Mao set his eyes on countries in the "intermediate zone" in the world arena. In the seventies, Mao put forward his famous thesis on the "three worlds," which became China's diplomatic strategy for some time to come and still exerts an influence on developing countries.

The narrator continues: National interests and security were always on the top of Mao's diplomatic agenda. He always advocated an independent foreign policy, and refused arrangements imposed by big powers, including, of course, the Soviet Union, once the benefactor of the PRC. Following Mao's second visit to Moscow in 1957, the Sino-Soviet rift surfaced. In 1958, Khrushchev proposed the establishment of a joint fleet and later visited China twice to peddle his proposal. Refusing to allow China to be incorporated into the Soviet global strategy, Mao turned down Khrushchev's proposal, thus triggering the withdrawal of Soviet experts from China in 1960.

While video shows historical footage of successful oil extractions at the Daqing Oilfield, launching of the first short-range guided missile, completion of the Nanjing Bridge across the Chang Jiang, and experiments on the first atomic bomb, the narrator says: In the absence of Soviet aid, Mao advocated the spirit of self-reliance in the face of an international blockade. "At 1500 on 16 October 1964, two events shocked the world almost simultaneously—the downfall of Khrushchev and China's successful atomic explosion." In spite of the

Western blockade, Mao yearned for world knowledge and was a keen observer of international affairs; he diligently studied English.

The narrator says: From the late sixties, chances for China's rejoining the world community surfaced as the United States was trapped deeper and deeper in the quagmire of the Vietnam war. After Nixon assumed the presidency, he expressed a readiness to develop ties with China. Meanwhile, Sino-Soviet relations deteriorated, culminating with the Zhenbaodao incident on the border region. Mao began to conceive plans for opening the door to Washington. From the presence of Edgar Snow at the 1970 national day celebration in Tiananmen, the invitation of the U.S. table tennis team to visit China in April 1971, Henry Kissinger's secret mission three months later, and Nixon's visit to China in 1972, Mao personally planned every move leading toward rapprochement with Washington. In the year following the restoration of China's seat in the United Nations in October 1971 and Nixon's visit to China, more than 20 countries established diplomatic ties with China. "Mao Zedong's successful cooperation with Zhou Enlai in opening the door for Sino-U.S. relations led to a breakthrough in foreign affairs. Deng Xiaoping, by further developing Mao Zedong's Thought on diplomatic work, has enabled China to march toward the world arena with a brand new posture."

At 1300 GMT, the documentary concludes with video showing historical footage of Mao's meeting with the Nixons in his studyroom, while Mao's former head nurse comments on how he overcome his physical ailments and extended the meeting from the originally scheduled 15 minutes to 65 minutes.

Beijing TV Airs Series on Mao's Poetry

Part One

OW0312121193

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 15 November carries the 15-minute Part One of a 21-part series on Mao Zedong's poems. In the station's morning program preview, the program is identified as a "full-length art film on Mao Zedong's poems" [da xing yi shu pian mao ze dong shi ci]. Reception is fair to poor.

Part One begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems" and several clips of Mao from old documentaries. While the video shows the Mao Zedong Memorial Hall and the People's Heroes Monument in Beijing, the narrator, with voice over video, says: Mao Zedong has long become a monument in the hearts of the people, and the people have not forgotten him. "Mao Zedong, as a statesman, made immortal contributions for our party, our people, our army, our country, and our socialist cause." As a writer and poet, his achievements were unprecedented.

Over clips of Mao and Zhou Enlai before a mass rally, the narrator says: "We recall a sigh he uttered several decades ago. The sigh showed the profound loneliness of a great man."

A subtitle appears on the screen, which reads: "We profoundly feel lonely - - - by Mao Zedong."

Over clips of the Mao Zedong Memorial Hall and the People's Heroes Monument, the narrator continues: "It is difficult to explore his loneliness. Perhaps it was a rational thinking employed by Mao Zedong as a statesman to observe the world. Perhaps it symbolized a unique sentimental world in which Mao Zedong as a poet appreciated life." Today, the old who lies silently in the concrete building still feels lonely.

Next are clips of Mao at Tiananmen rostrum in 1949 when he took the chairmanship of the People's Republic of China, and clips of his old residence in his native village.

The narrator praises Mao as both a statesman and a poet, and both an idealist and a revolutionary man of action.

In the last three minutes of the program, a song is heard over clips of Mao, including clips of him with Zhu De and Soong Ching Ling, and clips of a chorus. The song's lyrics are from a poem written by Gao Heng, a former professor from Shandong University's Chinese Literature Department of Shandong University. Gao wrote and published the poem in 1965 in praise of Mao Zedong after he read Mao's poems.

While more than 50 of Mao's poems have been published, 24 of them are used in this series, according to the narrator. The program ends at 1436 GMT.

Part Two

OW0312122393

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 17 November carries the 15-minute Part Two of a 21-part series on Mao Zedong's poems. Reception is fair to poor.

Part 2 begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and featuring Mao Zedong's poem "Congratulations to the Groom," which is about Mao's love for and marriage to Yang Kaihui, who was executed by a warlord in 1930.

The narrator says: "In this poem written in the winter of 1923, Mao Zedong described the sincere and touching love between him and Yang Kaihui, and expressed his strong determination to leave home to join the revolution."

Video shows clips of street scenes, Beijing University, and Mao's residence in Beijing in 1918, scenes of Shanghai in 1924 and Beijing after 1949. Also shown are

clips of a building where Yang Kaihui was imprisoned and executed. The program ends at 1436 GMT.

Part Three

OW0312123993

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 18 November carries the 15-minute Part Three of a 21-part series on Mao Zedong's poems. Reception is fair to poor.

Part Three begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Changsha."

Although the program is identified as an "art film," Part Three eulogizes Mao's contributions to the revolution more than his literary and poetic achievements.

The narrator says: "Mao Zedong was solitary in 1925. At that time, the first Kuomintang-CPC cooperation was in a very difficult situation due to Mr. Sun Yat-sen's serious illness. Mao Zedong failed in an election at the Fourth CPC National Congress in Shanghai in April 1925. A heavy workload and an intense struggle inside and outside the party seriously impaired Mao Zedong's health. In accordance with a decision of the CPC Central Committee, Mao Zedong left Shanghai and returned to Hunan to recuperate from illness and to continue revolutionary activities.

"On 12 March 1925, great revolutionary forerunner Mr. Sun Yat-sen died of liver disease, and the national revolution lost a strong pillar. With the active promotion and tenacious and intense struggle waged by Chinese Communists and the leftists in the Kuomintang, the voice of the national revolution became even louder across the country. The true colors of Chiang Kai-shek, who claimed to be Sun Yat-sen's disciple and faithful follower, had become the focus of people's attention. It is understandable that Mao Zedong, in his early thirties then, was not reconciled to loneliness. Mao Zedong, who dared to ask "who rules over man's destiny" (a verse from the poem), did not pay attention to personal risks and sufferings. While recuperating from illness, he kindled the flames of revolution on both banks of the Xiang Jiang. After his return to Shaoshan, he first mobilized his relatives to participate in the revolution. The CPC Shaoshan branch was set up right in his parents' house in August 1925."

A screen subtitle quotes Mao as saying: "I remember reading for the first time in 1920 *Class Struggle* by Kautsky, *Manifesto of the Communist Party* translated by Chen Wandao, and *History of Socialism* by a British author. From those books, I took only the word "class struggle" and began to seriously study practical class struggle."

Video shows clips of scenery of Changsha, scenes of Shanghai and Sun Yat-sen's funeral in Beijing in 1925,

picture of Sun Yat-sen and Chiang Kai-shek, Mao's home and scenery in Shaoshan, site of the CPC's first national congress in Shanghai, portraits of Mao, Dong Biwu, Chen Tanqiu, He Shuheng, Wang Jingmei and Deng Enming. The program ends at 1436 GMT.

Part Four

OW0312143993

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 19 November carries the 14-minute Part Four of a 21-part series on Mao Zedong's poems. Reception is fair to poor.

Part Four begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's 1927 poem "Yellow Crane Tower."

While the video shows clips of scenery of the Yellow Crane Tower in Wuhan and a "crane" dance performance, the narrator cites history, legend, and a Tang Dynasty poem about the tower.

The narrator, speaking over clips of the Northern Expeditionary Army's troop movements, praises Mao's poem as being better than the Tang poem, saying he wrote the poem with a mentality entirely different from that of ancient poets, and he wrote it at a crucial moment for the Northern Expedition, a moment of confrontation between revolution and counter-revolution when Chiang Kai-shek set up a reactionary government in Nanjing. The program ends at 1435 GMT.

Part Five

OW0312145093

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1210 GMT on 21 November carries the 18-minute Part Five of a 21-part series on Mao Zedong's poems.

Part Five begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's 1929 poem "The Double Ninth."

Video shows clips of countryside scenery, troops in formation, military exercise, Mao receiving Zambian President Kaunda in 1974, troops marching, and Mao with Zhu De, Soong Ching Ling, and other leaders.

The narrator describes the poem as showing Mao Zedong's beautiful inner world and his noble and broad vision. The narrator says: Mao Zedong was experiencing difficulties when he wrote the poem. He was ill with malaria for three months. "Making things even worse were the serious differences in the party and in the Army over major issues concerning the army building principles and the establishment of base areas. Mao Zedong's correct propositions were ignored, and he was expelled

from leading posts. He lost again in the election of the seventh party congress of the Red Fourth Corps, and left the principal leading posts in the corps. However, a giant has a giant's outlook on life. A giant has a giant's determination and his own way to express his feelings. A giant welcomes struggle and challenge, even if he is in the most insignificant position." An on screen subtitle says Mao regained party and army leadership at the Zunyi Meeting in January 1935. The program ends at 1228 GMT.

Part Six

OW0312150093

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 22 November carries the 16-minute Part Six of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Six begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Jinggangshan," which describes the successful defense of Huangyang Base in Jinggangshan against the Kuomintang Army's attack.

Video shows clips of Jinggangshan scenery, Mao with comrades in Jinggangshan, Chiang Kai-shek and his troops, Nanchang city, and the August 7 conference document; statues of Mao Zedong, Zhu De, Yuan Wencai, He Zizhen, Teng Daiyuan, and Zhang Ziqing; portraits of Mao, Zhude, Peng Dehuai, and others; and Mao attending Luo Ronghuan's funeral in Beijing in 1963.

After recalling the history of the armed coup staged by Chiang Kai-shek against the Communists in 1927 and several unsuccessful urban uprisings staged by the Communists, the narrator praises Mao Zedong's wisdom, political courage, revolutionary initiative, and his role in organizing the Autumn Harvest Uprising. The narrator says: "Chinese Marxists, with Mao Zedong as their representative, displayed a revolutionary initiative and discovered, after exploration, the road of encircling urban areas with rural areas and using armed force in seizing political power. It was a brand-new, correct road." The program ends at 1437 GMT.

Part Seven

OW0412044493

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 23 November carries the 18-minute Part Seven of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Seven begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features four of Mao Zedong's

short poems—"New Year's Day," "On the Guangchang Road," "Dabodi," and "Huichang."

Video shows mountain and village scenery, the Tiananmen rostrum, and the site of the Gutian Congress, as well as a photo of Mao and a group of people in army uniform, clips of Mao delivering speech, and clips of him meeting Chinese students in Moscow in 1957. A screen subtitle says Mao Zedong drafted the resolution of the Gutian Congress.

In addition to praising the beauty of Mao's poems, the narrator says: "To Mao Zedong, those were extraordinary years. During this period, he victoriously directed three anti-encirclement campaigns. As a military strategist, his leading talents and abilities were brought into a full play. However, after the Ningbu meeting in October 1932, Mao Zedong was removed from all leading posts in the party and Red Army. The only post he retained was the chairmanship of the central government."

Next on the screen is a clip of Mao delivering a speech, saying, "We are engaging in a very glorious great undertaking which our predecessors never attempted. We must attain our objectives, and we certainly can attain our objectives." The last sentence in the passage is frequently parroted in China. The narrator says: "It was this great and strong determination that molded the poet Mao Zedong's unusual heroism and his giant personality. Mao Zedong is not just a person's name. It symbolizes the wisdom, courage and perseverance of a nation, as well as the historical realities and ideals of a country. Mao Zedong was created and cultivated by our rich and profound national spirit, and he was summoned by China in the first half of the 20th century when the country was suffering untold misery. However, history often makes annoying jokes. Some opportunists in the party were divorced from reality, believed only in dogmas, and excluded Mao Zedong. In so doing, they almost ruined the future of the revolution. This is why, in his poems, Mao Zedong shows the emotions involved in recalling the past and comparing it with the present."

While the video shows clips of Mao meeting Chinese students in Moscow in 1957, the narrator quotes a passage of his speech at that meeting: "The world is yours, as well as ours, but in the last analysis, it is yours. You young people, full of vigor and vitality, are in the bloom of life, like the sun at eight or nine in the morning. Our hope is placed on you." The program ends at 1439 GMT.

Part Eight

OW0412052493

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 24 November carries the 14-minute Part Eight of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Eight begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and it then features Mao Zedong's "Three Short Poems—to the tune of Shi Liu Zi Ling."

Video shows mountain scenery; clips of troops marching in mountains and Mao at work; pictures of Zhe De and Zhou Enlai; clips of Peng Dehuai, Liu Bocheng, Deng Xiaoping, Liu Shaoqi, Xu Xiangqian, He Long, and Nie Rongzhen; clips of Mao inspecting troops; clips of cavalry, artillery, armored, air and naval forces in exercise, and military review; clips of Deng Xiaoping reviewing troops; and clips of Jiang Zemin shaking hands with several military officers and addressing a meeting. A screen subtitle reads: "In October 1935, Mao Zedong led the central Red Army in victoriously reaching northern Shaanxi."

The narrator describes the three poems, all on mountains, as a poetic summation made by Mao Zedong of the mountains in which the troops had marched and operated.

The narrator says: "When the Chinese nation, with land lost to enemy, was in peril, it was the Chinese Communists, represented by Mao Zedong, who built an indestructible great wall of iron and steel which was as solid as mountains." The program ends at 1435 GMT.

Part Nine

OW0412142893

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 25 November carries the 18-minute Part Nine of a 21-part series on Mao Zedong's poems.

This part begins with the subtitle, "This Film Is Dedicated to the Centennial of Comrade Mao Zedong's Birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Loushan Pass."

Video shows mountain scenery, site of Zunyi meeting, battlefield scenes, a cemetery of Red Army fighters at Loushan Pass; clips of Mao Zedong, Zhou Enlai, and Deng Xiaoping standing shoulder to shoulder, before a rally; photo of Mao and his wife He Zizhen in 1936; clips of He Zizhen's funeral in 1984; and clips of Mao viewing a military exercise in January 1964.

According to the narrator, Mao regained military command after the Zunyi meeting and wrote the poem after the troops under his command took Loushan Pass.

The narrator says: "Many people were told about the Resolution of the Zunyi Meeting in the Catholic church on Yangliu Street in Zunyi. It inspired the officers and men of the Red Army. Soon after hearing the report, they in high spirits returned to the gunpowder smoke-filled battlefields. To them, Mao Zedong's reappearance was like a ship which spots a light beacon again after losing

its position on a stormy sea. They trusted Mao Zedong and regarded him as a ship's captain who rediscovered the correct position of the great ship of China."

A screen subtitle credits Mao with the success of the troops under his command in wiping out 20 enemy regiments near the Loushan Pass and winning the greatest victory since the beginning of the Long March. Another screen subtitle quotes Bo Gu as saying: "The military plan of the Long March was totally wrong and the army was in danger of being wiped out. It was because of the Zunyi meeting that the army could survive and complete the 25,000-li Long March. Chairman Mao saved the party and the army, and the dogmatic sectarian rule began to come to an end." The program ends at 1439 GMT.

Part Ten

OW0512022893

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 26 November carries the 19-minute Part Ten of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Ten begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "The Long March."

Video shows clips of Mao Zedong, Zhou Enlai, Zhu De, Deng Xiaoping, and He Long viewing a military exercise in northern China in 1964, a sketch of the Long March route, troops marching in rural areas, mountain scenery, Mao receiving foreign visitors, and landmarks along the Long March route. Several screen subtitles briefly describe the events of the Long March.

Praising the Red Army's extraordinary achievement in completing the Long March, the narrator says: "The Long March ended in victory under Mao Zedong's leadership. Since then, Mao Zedong had led the Chinese communists to become stronger, to grow up, to win victory and glory, and to found the People's Republic."

The program ends at 1440 GMT after a chorus sings a song with lyrics based on the poem.

Part Eleven

OW0512024293

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 28 November carries the 15-minute Part Eleven of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Eleven begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Mount Liupan."

Video shows clips of Chiang Kai-shek and his troops, mountain scenery, a dance performance, Mao Zedong and troops, and the Great Wall.

Describing the political background of the poem, the narrator says: "Chiang Kai-shek had always regarded Mao Zedong as the most dangerous person. During more than one half of his political life, he spared no effort in trying to deal with Mao Zedong. The Red Army led by Mao Zedong broke one enemy defense line after another and advanced towards its destinations both in the central soviet area and during the Long March. On 7 October 1935, the Red Army troops led by Mao Zedong defeated an enemy cavalry regiment at Mount Liupan. Inspired by the victory, the troops crossed Mount Liupan in the afternoon." The program ends at 1436 GMT.

Part Twelve

OW0512040293

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 29 November carries the 20-minute Part Twelve of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Twelve begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Snow."

Video shows clips of Japanese surrender ceremony held on board USS Missouri, U.S. Ambassador to China Hurley visiting Yanan, Mao Zedong's trip to Chongqing, Chiang Kai-shek hosting an outdoor feast, Mao shaking hands with people in streets, modern urban construction in China, Mao's Zhongnanhai residence, and Mao Zedong Memorial Hall.

According to the narration, the poem, written in 1936, was first published in Chongqing after Mao Zedong visited there for peace talks with Chiang Kai-shek in 1945 through the mediation of U.S. ambassador to China Patrick Hurley; the poem caused a sensation in Chongqing and even Chiang Kai-shek's men inwardly praised Mao's writing and military thinking as having the lofty quality of a king.

The narrator says: "This magnificent poem, written the year after Mao Zedong had victoriously finished the Long March and arrived in northern Shaanxi, expressed, in a concentrated way, his broad vision and great confidence in winning victories and building the country, as well as his joyful feelings after accomplishing the great undertaking of the Long March. History has amazingly coincided with the magnificent artistic conception of the poem 'Snow—to the tune of Qin Yuan Chun.' Everyone looked to Mao Zedong, who was praised even by his rivals, as having the lofty quality of a king. He stood erect in the world, just as is described by his famous verse 'All are past and gone! For a truly great man, look to this age alone.'" The program ends at 1441 GMT.

Part Thirteen

OW0612055693

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 30 November carries the 18-minute Part Thirteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Thirteen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "The People's Liberation Army Captures Nanjing."

Video shows clips of a chorus singing, scenes of Nanjing city, Mao Zedong watch Beijing opera performance, Mao delivering speech at the Anti-Japanese Military and Political University in Yanan in 1939, Mao and Chiang Kai-shek proposing toasts to each other at banquet, Mao reviewing troops in Beijing in 1949, and Mao riding a small naval boat, as well as clips from feature films showing combat scenes and clips of modern arms including warships, submarine, torpedo boats, aircraft, tanks, and launching of a rocket.

A screen subtitle says Mao Zedong made a correct prediction about when the CPC could seize political power, and the Liberation Army's capture of Nanjing was proof.

Commenting on the verse from the poem "with power and some to spare we must pursue the tottering foe, and not ape Xiang Yu the conqueror seeking idle fame," the narrator says: "In his lifetime, Mao Zedong experienced numerous attacks, both overt and covert, and his rivals never showed him any mercy. For this reason, he would not forgive enemies who refused to laid down their arms. However, after he watched the opera 'Xiang Yu the Conqueror's Farewell to His Concubine,' he had another thought, wondering whether the episode had only the military lesson to be drawn from it of pursuing the remnants of an enemy force [Xiang Yu was defeated and pursued by rival forces]. In his view, there was, indeed, much to be learned from historical lessons."

The narrator says: "To Mao Zedong, the capture of Nanjing was far from being enough. At the Second Session of the Seventh CPC Central Committee, Mao Zedong said something which is very brilliant and remains thought-provoking even today." A subtitle shows the passage which reads: "It has been proven that the enemy cannot conquer us by force of arms. However, the flattery of the bourgeoisie may conquer the weak-willed in our ranks. There may be some communists who were not conquered by enemies with guns and were worthy to be called heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets. We must guard against such a situation."

The narrator continues: "In the early stages of the People's Republic, he signed the decision to execute Liu Qingshan and Zhang Zishan, both former secretaries of

Tianjin Prefectural CPC Committee, on charges of the serious crime of embezzlement. Chinese Communists had withstood the test of holding office in the early years." The program ends at 1439 GMT.

Part Fourteen

OW0612204293

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 1 December carries the 20-minute Part Fourteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Fourteen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program, "Mao Zedong's Poems," and features Mao Zedong's poem "Reply to Mr. Liu Yazi."

Video shows clips of bird's-eye view and scenery of Beijing city, Mao Zedong and Liu Yazi; the site of the Peasants Movement Institute in Guangzhou in 1926; Sun Yat-sen; Mao meeting a democratic figure in Beijing in 1949, Mao addressing the first preparatory meeting of the Chinese People's Political Consultative Conference (CPPCC), and Mao and Liu Shaoqi meeting a group of people.

After describing Mao Zedong's friendship with Liu Yazi and their meetings in 1926, 1945 and 1949, the narrator says: Liu Yazi, however, sent Mao Zedong a poem of his in which he grumbled that he was not given an opportunity to use his abilities. Mao Zedong did not reply to him immediately. At the first preparatory meeting of the CPPCC, he told the delegates that the Republic of China of the past was unworthy of its name and that it was necessary to build a People's Democratic Republic of China which is worthy of its name.

The narrator continues: "His words inspired many democratic figures. He made those democracy and peace seekers see hope and light, as well as the broad vision of a political leader who was truly struggling for the nation's happiness and freedom. In his reply, also in the form of a poem, Mao Zedong gave Liu Yazi a well-meaning, sincere, and serious piece of advice." He asked Liu Yazi to value the interests of the revolutionary cause above his own interests. Mao Zedong's advice dispelled Liu Yazi's melancholy. The program ends at 1441 GMT.

Part Fifteen

OW0612205493

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 2 December carries the 15-minute Part Fifteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Fifteen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's

birthday," followed by the title of the program, "Mao Zedong's Poems," and features Mao Zedong's poem "Beidaihe."

Video shows clips of seascape, beach scenes, smiling Mao Zedong accepting reports from people, Mao Zedong addressing the First National People's Congress in 1954, and a group dance performance.

In describing the background of the poem, the narrator says: "In the past, Beidaihe was a strange place to most Chinese. It was just a paradise for imperialists, bureaucrats, compradors, and rich people to enjoy a life of pleasure. Under the leadership of the CPC and Mao Zedong, all parts of China, including Beidaihe, finally changed. Another piece of gratifying news was spreading across China then—the socialist transformation was proceeding at an amazing rate in a harmonious atmosphere. The people, who had just been liberated, were carrying out with unprecedented zeal the First Five-Year Plan. It was an inspiring year. One achievements report after another was submitted to the leader. Mao Zedong was very happy. His thinking began a poetic leap, and he was full of idealist, poetic conception toward the future. He told his bodyguards, 'Let's go to beach. The high tide of socialist construction in China will come soon. Let's go where there are tides and currents.'" At that time, he thought that the ideals of socialist construction were becoming realities.

The narrator says: "The challenge he accepted was the most magnificent challenge in China's history. His inflexible and persevering spirit of struggle was the most magnificent spirit of people's revolution in China's history." The program ends at 1436 GMT.

Part Sixteen

OW0712011393

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 3 December carries the 18-minute Part Sixteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Sixteen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Swimming."

Video shows clips of river scenery, Mao Zedong swimming in a river, beach scenes, Wuhan Bridge, Mao and aides at the riverside, Gezhouba Dam, and the bridge over the Chang Jiang at Nanjing.

In addition to praising the poem, the narrator says: "What was the greatest feature of Mao Zedong's character? Those who knew him will always say it was to challenge and to accept a challenge. This is a characteristic common to revolutionaries and poets. In June 1965, Mao Zedong at the age of 72 swam across the Chang Jiang three times in four days. The news immediately

caused a sensation at home and abroad." "In his lifetime, he was always a strong man who accepted the challenge of storms."

While Mao Zedong approved of the construction of the Gezhouba Dam, which was completed in 1981, the narrator quotes Mao as saying: "After I die, please do not forget to mention my name in articles on the Three Gorges project after work on it is completed." The program ends at 1439 GMT.

Part Seventeen

OW0712024393

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 5 December carries the 20-minute Part Seventeen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Seventeen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Reply to Li Shuyi."

Video shows past and present clips of Li Shuyi, Mao Zedong at a tea party, the People's Heroes monument, photo of Mao and Li taken in 1959, houses where Yang Kaihui grew up, and a group dance performance.

According to the narration, Mao Zedong wrote the poem in 1957 to cherish the memory of his wife Yang Kaihui and Li Shuyi's husband Liu Zhixun. Both Yang Kaihui and Liu Zhixun gave their lives for the revolution in the 1930's. Li Shuyi, now 93, was Yang Kaihui's good friend. The program ends at 1441 GMT.

Part Eighteen

OW0712060093

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 6 December carries the 17-minute Part Eighteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Eighteen begins with the subtitle, "This film is dedicated to the centennial of Comrade Mao Zedong's birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Farewell to the God of Plague," which praises China's success in combating schistosomiasis in the late 1950's.

Video shows clips of countryside scenery; a group of patients suffering from schistosomiasis; river scenes; medical personnel working in rural areas; Mao Zedong inspecting rural areas; Mao and Zhou Enlai entering a building; Deng Xiaoping, Zhu De, Liu Shaoqi, Mao, and Zhou Enlai at the Eighth CPC National Congress; Mao addressing the Congress; and buildings at Zhongnanhai.

According to a screen subtitle, with Mao Zedong's support, a nationwide campaign to wipe out schistosomiasis was launched in 1956.

The narrator says: "As the leader of the people, what Mao Zedong was most concerned about was the people's wellbeing. Anything that benefited the people would greatly arouse his interest."

According to narration, Yujiang County, Jiangxi, was the first to wipe out the disease in 1958. The narrator says: "It was obvious that Mao Zedong's interest did not end with Yujiang County alone, nor even only the land of China." "As a great man, Mao Zedong wholeheartedly pondered our nation's past, present, and future. He spared no effort in the struggle to turn the results of his pondering into realities. He was full of confidence and sincerity." The program ends at 1438 GMT.

Part Nineteen

OW1112074893

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 7 December carries the 20-minute Part Nineteen of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Nineteen begins with the subtitle, "This Film Is Dedicated to the Centennial of Comrade Mao Zedong's Birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Shaoshan Revisited."

Video shows clips of tombs of Mao Zedong's parents, Shaoshan scenery, Mao at a meeting, Mao amid crowd of people, Mao's old residence, Mao and Zhu De receiving PLA men, Mao revisiting Shanshan, and a military parade. A screen subtitle notes an article written by Mao in memory of his mother.

The poem is about Mao Zedong's revisit to his home town Shaoshan in 1959 after 32 years of absence. Praising Mao Zedong's love for his mother, the narrator says: "After all, Mao Zedong was a great man. Although he loved his mother deeply, he had to leave her and his home for the sake of the people's revolutionary cause. During the extremely arduous revolutionary struggle, six of Mao Zedong's relatives gave their lives." The program ends at 1441 GMT.

Part Twenty

OW1112080493

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 8 December carries the 21-minute Part Twenty of a 21-part series on Mao Zedong's poems. Reception is fair.

Part Twenty begins with the subtitle, "This Film Is Dedicated to the Centennial of Comrade Mao Zedong's Birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Reply to a Friend."

Video shows clips of portrait of ancient poet Qu Yuan; a symphony orchestra performing; Mao Zedong, Zhou Enlai, others at meeting; portraits of Mao's old friends

Zhou Shizhao, Li Da, and Yue Tianyu; mountain scenery; and Mao welcomed by people.

The narrator describes Mao Zedong's friendship with Zhou Shizhao, Li Da and Yue Tianyu since they were high school students. The poem was written by Mao in 1961 for those friends. While video shows clips of smiling Mao chatting cheerfully with Zhou Enlai and others at a meeting, the narrator says: "It [1961] was a year of great difficulties for the Chinese people, as well as a year of changeable international situation. The anxious expression worn by high-level leaders showed that the situation was grim. However, even at that moment, Mao Zedong continued talking cheerfully and humorously and showing a happy face in front of his comrades. He displayed a leader's unique elegance and charisma. It was in that kind of environment and mentality that he wrote the poem 'Reply to a Friend.'" The program ends at 1442 GMT.

Part Twenty-One

OW1112084893

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1421 GMT on 9 December carries the 18-minute last part of a 21-part series on Mao Zedong's poems. Reception is fair.

The last part begins with the subtitle, "This Film Is Dedicated to the Centennial of Comrade Mao Zedong's Birthday," followed by the title of the program "Mao Zedong's Poems," and features Mao Zedong's poem "Ode to the Plum Blossom."

Video shows clips of a chorus singing; Mao Zedong, Liu Shaoqi and Zhu De dancing with partners at a dance party; Nixon arriving in China in 1972; a meeting between Mao and Nixon; the first atomic bomb set off in China in 1964; Mao, Liu Shaoqi, and Zhou Enlai at a large meeting; Mao meeting Japan's Tanaka; Deng Xiaoping addressing the UN General Asssmbly in 1974 and meeting delegates to the 14th CPC National Congress in 1992; and Jiang Zemin and Li Peng in 1992.

Quoting the poem as praising the plum flower for blooming in cold winter and showing a great pride, the narrator says: "It is because of this that the people's China under Mao Zedong's leadership also shows the poise of a great and proud country characterized by being neither overbearing nor servile in the world arena," and "Mao Zedong's character reflected the spirit of the Chinese nation." Relating such national characteristics to China's foreign affairs, the narrator describes Nixon's visit to China as "a great breakthrough in the history of China's foreign affairs which brought the beginning of springtime to the tense international environment at that time." The program ends at 1439 GMT.

Article Discusses Nov United Front Work Meeting

HK3012081093 Hong Kong KUANG CHIAO CHING
in Chinese No 255, 16 Dec 93 pp 54-56

[Article by Chin Cheng (6855 2052): "CPC's United Front Work Faces Difficulties—Inside Story of National United Front Work Conference"]

[Text] From 3 to 7 November, the CPC Central Committee held a "National United Front Work Conference" at Beijing's Jingxi Guesthouse, which was shrouded in quite a "mysterious color." Of the series of conferences held at the end of the year, this attracted people's particular attention.

Members of the Political Bureau Standing Committee, including Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, and Hu Jintao attended the meeting at different times. Jiang Zemin, Li Ruihuan, and Wang Zhaoguo, head of the United Front Work Department, made long speeches. Their speeches, said to contain 100,000 characters in total, had been revised several times. Soon after, with the aforesaid speeches as the basis, the CPC Central Committee would issue a special "red-letter-headed document" on "united front work."

Over 100 provincial and ministerial-level officials, including deputy secretaries from all provinces and regions and senior officials from all central ministries and commissions, attended the meeting at Jingxi Guesthouse.

According to an insider, the meeting was originally scheduled as a "National Conference of United Front Work Department Heads." Under the direct instructions of Jiang Zemin and Li Ruihuan, it was upgraded into a "National United Front Work Conference" presided over by the CPC Central Committee. It was the first national conference held by the CPC since 1990 to specifically study "united front work." At the opening ceremony, Wang Zhaoguo set the tone for the conference: Take Deng Xiaoping's theory as a guide, clarify the situation facing the current "united front work," and define future work principles and tasks.

Since the Third Plenary Session of the 11th CPC Central Committee, through a dozen years or so of development, China has scored economic reform achievements that have attracted the world's attention, but some social problems have also become more acute. In particular, in the process of establishing a socialist market economic structure, many new situations and problems have cropped up. As one of the "three magic weapons" of the CPC, "united front work" has also faced numerous difficulties.

"United front work" has made "important contributions" to the CPC in seizing political power and to political stability and economic development since the founding of New China. CPC leaders including Mao

Zedong, Liu Shaoqi, Zhou Enlai, Deng Xiaoping, Ye Jianying, Li Xiannian, and Deng Yingchao personally led "united front work" for a long time. In recent decades, however, given the new situation of reform and opening up, the party affairs system has been readjusted, and some departments have been trimmed. Given the macro-climate of streamlining organizations, the future of united front organs at all levels has become a focus of society's general concern.

Meanwhile, after over 40 years of wind and rain, the original "targets of united front work" have also changed considerably. The original targets, such as industrialists and businessmen, the elites of ethnic groups, and Kuomintang figures who had surrendered have decreased every year and have gradually become historical figures. On the other hand, the number of self-employed industrial and commercial units, private enterprises, and foreign-invested enterprises are increasing and so is the social influence of representatives of the nonpublic economic sector. The contingent of intellectuals has also split, with some engaging in industry, commerce, and the high-tech sector. Leaders of overseas Chinese have also made a transition to the third and fourth generations. In addition, there are large numbers of new overseas emigrants. The popular television series, "A Native of Beijing in New York," reflects the conditions of these new emigrants. They have extensive and close links with China's mainstream society, especially the intelligentsia, profoundly influencing each other.

In the face of numerous new situations, both this year and last year the top CPC leadership transferred a large number of cadres from the General Office and the United Front Work Department of the CPC Central Committee to conduct investigations and studies in various parts of the country. The "National United Front Work Conference" can be regarded as the summing up of the investigation and study; it would define the basic direction of the CPC's future "united front work."

It has been disclosed that the top CPC leadership holds that, due to the coexistence of many forms of ownership and distribution, there is a widening gap in the distribution of interests within the "united front," resulting in more and even intensifying "contradictions among the people." This makes it necessary for the united front work organs to do coordination work and ameliorate contradictions. Moreover, with the enhancement of people's concept of democracy and participation, the development of democracy has become an important topic of the CPC's "united front."

After the 14th party congress at the end of 1992, the Political Bureau Standing Committee members reallocated work among themselves. Li Ruihuan gave up his ideological portfolio to take on united front work. With his appointment as chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] in March 1993, he became a policy maker in the CPPCC's united front system. The change in Li

Ruihuan's role and Political Bureau member Ding Guangeng's appointment to the ideological portfolio seems to show that the CPC, while concentrating on the economy, is again attaching importance to the role of the "united front" in coordinating social relations.

At the united front work conference in November, Jiang Zemin explicitly pointed out: In the new period, "united front work" should only be strengthened and not weakened; it should develop and not stagnate. "Party committees at all levels should regard united front work as an important component of the party's general line and policy and have a firm grasp of this magic weapon, regarding it as an important link in the work of party committees."

At the meeting, Li Ruihuan explicitly called on party committees "to seriously discuss united front work several times a year and solve some important issues in good time." "Principal party and government leaders should take a personal hand in united front work and strike deep friendships with nonparty personages." He even claimed: "It is necessary to take whether or not one has a united front concept, understands the united front policy, and knows how to do united front work as important criteria for judging the political consciousness and work level of a principal leading cadre."

It was also proposed at the meeting that so-called "united front in the new period" is to "unite all forces that can be united" and that "the scope should preferably be broad for it is better to be broad than narrow." "United front work" in the future will develop in greater depth and breadth than ever before and its work scope will extend from political to economic fields; from the upper level to the grass roots; from scientific research institutes, universities, and colleges to township and town enterprises and foreign-invested enterprises; and from large and medium-sized cities to small cities and even some townships and towns.

The top CPC leadership reportedly pointed out: In a society undergoing drastic change, the "magic weapon" of the "united front" will help solve numerous complex contradictions and issues and, therefore, "united front work in the new period will still take as its major targets those who have certain influence and are fairly representative. But it has taken on a stronger mass character." United front has become a "special component of the mass work."

According to a participant, as the meeting was an internal one, there were fairly heated discussions. Nearly all knotty problems in the "united front" departments and affiliated organizations that cropped up in recent years were "placed on the table."

It is learned that the focus of discussion was the issues of nonpublic economic sector, nationalities, and religions.

The participants universally held that "united front work" in the economic sphere should be further strengthened. In addition to traditional "services," such as acting

as a go-between in economic construction, providing consultancy services, and supporting the border and impoverished areas with intellectual resources, the CPC also listed work among the representative figures of nonpublic economic sector in its "united front series." At present, the nonpublic sector accounts for half of the Chinese economy and the CPC hopes to "maintain unity and cooperation" with the representative figures of this sector.

At the CPPCC National Committee elections early this year, the economic circle was listed for the first time and many nongovernment entrepreneurs were elected. At the Seventh Congress of the All-China Federation of Industry and Commerce held in October, two representative figures of the nonpublic economic sector were elected vice chairmen. It has been learned that the top CPC leadership has decided to hand over the task of doing "ideological and political work" among representative figures of the nonpublic economic sector to the federation of industry and commerce. This has opened a new important field for the "united front work." Jiang Minkuan, executive deputy head (ministerial level) of the united front work, has taken up the post of vice chairman of the All-China Federation of Industry and Commerce. News has it that he will soon resign from the United Front Work Department and concentrate on working in the federation.

Another knotty issue that was widely discussed was that of nationalities and religion. In recent years, national contradictions in some countries and regions have intensified and some have even evolved into fierce armed conflicts. They have various influences on ethnic regions in China. With the implementation of freedom of religious beliefs, all kinds of religious forces have attempted to enter and influence China. All these have boosted ethnic separatism in northwestern and southwestern China. There have even been some unexpected incidents.

The top CPC leadership has always maintained high vigilance against these issues, holding nationality unity as the basis for national stability and prosperity. Although unexpected incidents in ethnic regions in recent years have been promptly resolved as a result of direct central intervention, the CPC has gradually realized that the key to solving ethnic issues lies in developing the economy and culture of ethnic groups and ethnic regions.

On the last day of the meeting, Jiang Zemin spent over two hours discussing the issue of nationalities and religion. This is the first time in the past decade that a top party leader expounded the issue in the greatest detail. Jiang said: "The ethnic issue is a major issue affecting the unification of our country, the stability of society, the consolidation of borders, and the success of construction." "A correct handling of the ethnic issue is an issue of fundamental significance, and the strengthening of nationality solidarity is an important issue for which we should make long-term efforts."

Touching on the focal points of nationality work in the future, Jiang stressed: "The first is to continuously consolidate and develop the socialist nationality relations, the second is to uphold and improve the system of regional national autonomy, and the third is to accelerate the economic development and social progress of the ethnic regions."

Jiang also called on all localities to "carry out the party's religious policy comprehensively and correctly, and strengthen management over religious affairs according to the law." "Whether one has religious beliefs or not is the right of a citizen." "We cannot wipe out religion, nor can we develop it by administrative power."

Moreover, the meeting also discussed the question of how to "provide more substantive contents" to multiparty cooperation and political consultation. The top CPC hierarchy holds that, with deepening of reform and opening up and the enhanced people's concept of democracy, "the best form for Chinese-style democracy" is for democratic party and nonparty personages to participate in government and political affairs and exercise supervision. The CPC Central Committee again called on party committees in all localities to "conscientiously implement" multiparty cooperation and political consultation by appointing some democratic party figures to "real posts."

Education Minister Greets Overseas Students

OW2912174493 Beijing XINHUA in English 1538
GMT 29 Dec 93

[Text] Beijing, December 29 (XINHUA)—Zhu Kaixuan, minister in charge of the State Education Commission, sent new year greetings to Chinese students studying abroad, in a public speech here today.

Zhu said that the overseas students make up an important part of the contingent of intellectuals in China. The government and society have deep regard for them.

He said that the government will continue to hold to the principles of "supporting students to go abroad to study, encouraging them to return home and ensuring the freedom of staying or going for them."

He hoped students would learn as much as possible when they are studying abroad and return to serve the motherland.

China has sent nearly 200,000 students to study in some 100 countries in the world since it adopted the policy of opening to the outside world in 1978. Among them, 70,000 have already returned to participate in the socialist construction of the country.

Wan Li Takes Part in Tennis Tournament

WA3012152793 Beijing XINHUA Domestic Service in Chinese 0845 GMT 16 Dec 93

[Summary] Beijing, 16 Dec (XINHUA)—On 16 December Wan Li, honorary chairman of the China Tennis Association, took part in the 1993 New Era Cup invitational tennis tournament in Beijing.

Commentary Views Eradicating 'Corrupt Elements'

HK2912114293 Beijing RENMIN RIBAO in Chinese
25 Dec 93 p 1

["Short commentary": "Eradicate Corrupt Elements, Purify the Ranks of Cadres"]

[Text] It is a deserved end and an inevitable outcome for such a notorious corrupt element as Li Shanyou, former deputy secretary general of the Hainan Provincial Government, to be severely punished according to party discipline and state law. This has indicated that it is the strong demand of the broad masses to relentlessly ferret out corrupt elements from inside the party and government and to mete out severe punishment to them in accordance with the law. It is also a pressing mission to maintain the purity of party organizations, as well as a major move to ensure the smooth progress of reform, opening up, and socialist modernization. We must acquire a sober understanding of and adopt a firm attitude toward this issue. Meanwhile, we must not, under any circumstances, be irresolute and softhearted toward corrupt elements.

The great majority of our cadres and state functionaries are good. They work earnestly for the people's happiness and the country's prosperity, and dedicate themselves selflessly and make positive contributions to the cause of socialist modernization. However, we must also note that there were indeed a small number of weak-willed people among the party members and state functionaries who could not withstand the trials of the new historical conditions and complicated environment, and who were eventually led astray onto an evil road of corruption and reduced to becoming sinners, condemned by the people because of the rapid growth of their individualism and their ferociously overexpanded lust for material gains. Every party member, cadre, and state functionary should take warning from the errors of Li Shanyou. While positively giving themselves to reform, opening up, and economic construction, they must pay serious attention to remolding their own world outlook, watch out for ideological erosion caused by money worship, pleasure-seeking, and extreme individualism, keep firmly in mind the party's fundamental purpose of serving the people wholeheartedly, set strict demands on themselves, perform their duties honestly, and always maintain the proper moral character of civil servants.

As to the corrupt elements who have damaged the cause of the party and people, it is the consistent policy of our

party and government to resolutely eradicate and severely punish them. We believe that through the thorough implementation of the decisions of the Central Committee and the State Council on the anticorruption campaign in the near term and the guidelines of the Second Plenary Session of the Central Commission for Discipline Inspection, some negative phenomena that have existed in the party and government and among state functionaries will be effectively checked. With the fulfillment of the tasks set for the struggle against corruption at various stages, increasingly remarkable results will certainly be scored in the building of party style and honest administration in most localities and departments.

Public Health Minister on Combating Drug Abuse
HK2912041893 Beijing GUANGMING RIBAO in Chinese 14 Dec 93 p 1

[By correspondent Chen Guangman (7115 0342 2581): "Public Health Minister on Drug Abuse in Our Country"]

[Text] Beijing, 13 Dec—In recent years, there have been frequent incidences of the abuse of imported and expensive drugs, steroids, painkillers, tranquilizers, and antibiotics in our country, according to a convention today inaugurating the Chinese Society for the Prevention and Treatment of Drug Abuse. Therefore, it is a matter of great urgency to begin the prevention and treatment of drug abuse in our country.

According to the convention, drug abuse is a social problem that endangers public health and is one which faces the international community. The WHO lists drug abuse as the abuse of anesthetics, medicines for psychiatric treatment, tobacco, alcohol, and dissolvable organic substances. In our country, there is close government and nongovernment attention to the abuse of tobacco and alcohols and their hazards. But problems such as the abuse of non-anesthetic drugs and treatment with addictive anesthetic pain-killers have not yet received wide attention. A poll of 1,822 households in the Beijing urban area in 1988 found that the drug-dependency rate originating from the abuse of prescribed medicines was 0.309 percent of those polled, half the drugs they depended being, on the whole, anti-fever pain-killers. Another special poll of 4,139 medical workers in 10 city and district hospitals in Beijing toward the end of 1989 reported that of the 96 drug dependents, 76, that is 79.2 percent, were on sleeping pills and sedatives. Investigations by the departments concerned show that middle-aged and young people account for the majority of the 250,000 drug addicts in our country, concentrations of whom extend from the Yunnan borders to Guizhou, Sichuan, Gansu, Shaanxi, and Guangxi, involving some 700 counties in 17 provinces, cities, and autonomous regions. Statistics from the Public Health Ministry's AIDS Monitoring Center show that by November 1993, 60 percent of the nation's HIV carriers were infected by injecting heroin intravenously.

Public Health Minister Chen Minzhang said in his address that anesthetics and psychiatric medicines are indispensable in medical work and, properly administered, ease pain and protect health. But, if they are abused or illegally manufactured and sold, they become poisonous drugs and cause harm. He therefore stressed that in preventing and treating drug abuse, we must learn from countries around the world about their successes in combating drugs. It is hoped that the newly founded Chinese Society for the Prevention and Treatment of Drug Abuse will, under the centralized leadership of governments at all levels, launch mass prevention and treatment; mobilize circles in society to campaign widely and educate people against drug abuse, targeting the effort above all at adolescents and youths; work in coordination with the government departments concerned to prevent drug abuse; and work for the health of our country's people.

Economic & Agricultural

Reportage on Unifying Exchange Rate in Jan 1994

People's Bank of China Issues Announcement
OW3012113593 Beijing XINHUA Domestic Service in Chinese 0849 GMT 29 Dec 93

["Announcement by the People's Bank of China on Further Reform of the Foreign Exchange Control System"]

[Text] Beginning from 1 January 1994, the foreign exchange control system of China will be further reformed in accordance with a decision by the State Council to expedite the establishment of a socialist market economic system and further opening up, and to promote the sustained, rapid, and healthy development of China's national economy [tui dong wo guo guo min jing ji di chi xu kaui su jian kang fa zhan 2236 0520 2053 0948 0948 3046 4842 3444 4104 2170 4958 1816 6643 0256 1660 4099 1455]. In this connection, an announcement was made as follows:

1. The system of settling foreign exchange receipts is implemented, and the system of sharing a portion of foreign exchange is abolished

All foreign exchange receipts earned by enterprises, institutions, organs, and mass organizations inside our national boundaries must be timely transferred back to China. All foreign exchange receipts that fall under one of the following categories (except those earned by foreign-invested enterprises) must be settled and sold to designated foreign exchange banks according to their official exchange rates:

A. foreign exchange earned from exports or transit goods and from other business transactions;

B. foreign exchange earned by communications and transportation, posts and telecommunications, tourism, insurance, and other sectors from providing services and from business dealings with government organs;

C. net foreign exchange receipts earned by banks from operating foreign exchange business that ought to be turned over to the higher authorities, and foreign exchange profits earned from labor contracting and investment outside our national boundaries that ought to be transferred back to China; and

D. other foreign exchange that ought to be settled and sold according to the regulations stipulated by foreign exchange control departments.

The foreign exchange receipts that fall under one of the following categories are permitted to be used to open spot exchange accounts in designated foreign exchange banks:

- (1) inbound remittance of foreign exchange effected by legal persons or natural persons as investment from outside our national boundaries;
- (2) foreign exchange generated from borrowing money and from issuing bonds, debentures, and stocks outside our national boundaries;
- (3) money for the operation of a project transferred to China by a labor contracting company during the period of a contract for a project secured outside our national boundaries;
- (4) foreign exchange in the form of donations that have been approved for specific purposes;
- (5) foreign exchange owned by foreign embassies and consulates in China and by China-based organs of international organizations and other legal persons outside our national boundaries; and
- (6) foreign exchange owned by individuals.

If a portion of the above-mentioned foreign exchange are to be used to pay for expenses inside our national boundaries, they should be converted into renminbi at designated foreign exchange banks for such purposes.

The various existing systems of retaining a portion of foreign exchange, turning over a portion of foreign exchange to the higher authorities, and management of a certain limited amount of foreign exchange are abolished. The existing balance of foreign exchange receipts retained by enterprises and the existing spot exchange deposits not belonging to one of the above-mentioned categories of foreign exchange receipts permitted to be used to open spot exchange accounts shall be handled in accordance with the following principles:

Account-holders retaining a balance of foreign exchange receipts are permitted to continue to use the amount at the foreign exchange rate announced on 31 December 1993. The shares of foreign exchange receipts which

have been converted and settled but still have not been entered into the account book before the merger of different foreign exchange rates should be entered into the account book before 31 January 1994, and their account-holders are permitted to continue to use them at the foreign exchange rate announced on 31 December 1993.

Account-holders of the spot exchange deposits not belonging to one of the above-mentioned categories of foreign exchange receipts permitted to be used to open spot exchange accounts may continue to maintain their current spot exchange accounts. Nevertheless, they will only be permitted to withdraw money from their accounts, instead of making deposits, until their accounts are exhausted. The balance in their accounts may be used to make payments on current accounts, to repay foreign exchange debts, to settle foreign exchange accounts with banks, or to sell foreign exchange to banks.

2. Implement the system of the sales of foreign exchange by banks and permit the conditional conversion of renminbi under current accounts

After the system of foreign exchange sales is implemented, the planning, examination, and approval of normal payments by foreign exchange under current accounts will be abolished. Enterprises, institutions, organs, and mass organizations inside our national boundaries shall submit the following valid certificates, vouchers, and receipts to designated foreign exchange banks to exchange renminbi for foreign exchange and make payments by foreign exchange under current accounts:

A. Quota documents, permits, or import certificates issued by departments concerned, together with relevant import contracts, for the importation of commodities for which a quota is imposed or whose import is under control;

B. registration certificates, together with relevant import contracts, for the importation of commodities which fall under the category of automatic registration;

C. import contracts, together with payment vouchers issued by banking institutions outside our national boundaries, for the importation of commodities other than those mentioned in the above two items which meet state regulations on import control; and

D. payment agreements or contracts, together with payment vouchers issued by banking and nonfinancial institutions outside our national boundaries, for payments incurred by operations which are not related to trade items.

The purchase of foreign exchange or its purchase in cash to make payments for expenses not incurred by operations shall be handled according to relevant regulations governing financial and foreign exchange control. The

system of examination and approval for outbound remittance for investments, loans, and donations outside our national boundaries shall continue to be implemented.

As an interim measure, in the early period of reform, exporting enterprises are required to use 50 percent of the amount of foreign exchange settled to open foreign exchange accounts in designated foreign exchange banks. The foreign exchange and trade-related expenses needed by such enterprises for export shall be converted and paid by banks from the balance in their foreign exchange accounts. If the foreign exchange needed by such enterprises for export exceeds the balance in their foreign exchange accounts, they may submit valid documents, receipts, and vouchers to designated foreign exchange banks for conversion and payment of foreign exchange in accordance with procedures prescribed by the state.

3. Establish an interbank foreign exchange market, improve the foreign exchange formation mechanism, and maintain a reasonable and relatively stable exchange rate for renminbi

After the system of settling and selling foreign exchange by banks is implemented, we shall establish a unified interbank foreign exchange trading market nationwide. Designated foreign exchange banks constitute the main body of the foreign exchange trading market. The main function of the interbank foreign exchange trading market is to serve all designated foreign exchange banks by facilitating each to make up the other's deficiency from its own surplus and to clear accounts. The interbank foreign exchange trading market shall be supervised and managed by the People's Bank of China through the State Administration of Exchange Control.

Effective 1 January 1994, the renminbi exchange rates will be merged. After the merger, a single, controlled floating exchange rate system based on market demand and supply will be implemented. The People's Bank of China will quote the daily median exchange rate for the renminbi against the U.S. dollar on the basis of the previous day's interbank trading prices on the foreign exchange market and with reference to changes in international foreign exchange markets, as well as quote the exchange rates of other major currencies against the renminbi. Based on these official rates, all designated foreign exchange banks will, within the floating range stipulated by the People's Bank of China, use their quoted rates for foreign currency transactions with their clients. Under the prerequisite of stabilizing currency in the country, the quoted exchange rates of various banks will be maintained basically uniform and relatively stable through inter-bank foreign currency trading, as well as through the amounts of foreign currency handled by the People's Bank of China in foreign currency exchanges.

4. Strengthening the operations and service functions of designated foreign exchange banks in accordance with the law

In principle, the amounts of renminbi needed by designated foreign exchange banks for the conversion of foreign currency will come from the banks' own funds. The state will exercise proportionate control over the amounts of turnover in foreign currency conversion by designated foreign exchange banks. The proportions of banks' turnover in foreign currency conversion shall be approved by the People's Bank of China according to the banks' assets and volume of foreign currency conversion. Banks with turnover in foreign currency conversion exceeding the upper limit must sell the excess to other designated foreign exchange banks or the People's Bank of China. When their turnover in foreign currency conversion drops below the lower limit, banks should promptly purchase from other designated foreign exchange banks or the People's Bank of China to make up the difference.

To help units using foreign exchange under long-term payment contracts or debt repayment agreements to avoid exchange rate risks, designated foreign exchange banks may undertake business to preserve the value of the renminbi and foreign currency on the basis of valid proof.

All designated foreign exchange banks should maintain a rational structure of assets and liabilities, and undertake the business of converting and selling foreign currency, opening foreign currency accounts, taking deposits, and granting loans in accordance with relevant provisions. They should strive to upgrade their service quality, lower their service fees, operate in accordance with the law, and engage in fair competition.

5. Implementing strict control over foreign debts and establish debt repayment funds to safeguard the state's credibility with foreign countries

The state shall continue to implement a system of exercising planned control, verifying financial conditions, and registering foreign debts regarding the borrowing and repayment of foreign debts outside national boundaries. Guarantees for legal persons (including Chinese-funded holding organizations and enterprises) outside national boundaries must be handled in strict accordance with the "Methods Governing the Provision of External Foreign Exchange Guarantees by Organizations Within National Boundaries" of the State Administration of Exchange Control.

To safeguard the state's credibility with foreign countries, control over foreign debt repayment must be strengthened and the principle "whoever borrows should repay" must continue to be implemented. Debtors should strengthen control over projects funded by foreign debts, as well as raise their economic efficiency and capability to earn foreign exchange. The state will encourage and support efforts by all localities, relevant departments, and enterprises with fairly large foreign debts to establish debt repayment funds in proportion to the balance of debts and to open spot exchange deposit accounts in designated foreign exchange banks. Loan

repayments and foreign exchange receipts from exports specially approved by the state may be deposited directly into the accounts. Funds from these special accounts can only be used to repay principal and interest on foreign loans, and should not be transferred or used for other payments.

Debtors should pay their principals and interest with money drawn from their special accounts for debt payments. Should there be difficulties, they may, after their cases have been examined and approved by foreign exchange control authorities, make the payments with renminbi at banks designated to handle foreign exchange in accordance with the loan agreement, bearing with them proof of foreign debt registration and approval for payment of principals and interests in renminbi. When debtors request to pay their foreign debts ahead of the deadline prescribed in the loan accord, they should have the approval of foreign exchange control authorities according to regulations. Banks may not process the foreign payments of foreign debts that have not been registered, or payments incurred by organs at home vouching for corporate borrowers abroad in violation of regulations.

For foreign exchange loans extended by financial institutions at home, debtors may repay them directly with their foreign exchange earnings, or, in accordance with provisions in the loan accord, purchase foreign exchange with renminbi at banks designated for handling exchange of foreign currencies. After the new rules have been implemented, financial institutions at home will continue to pay back foreign exchange loans with foreign currencies for loans they have borrowed from abroad, and for loans they have extended with savings in foreign currencies. The measures mentioned above should be used for the repayment of the foreign exchange loans.

6. The current system for controlling foreign-invested enterprises' foreign exchange should be maintained

Foreign-invested enterprises may open foreign exchange accounts at banks designated for handling foreign exchange, or at foreign-funded banks in the country to manage their foreign exchange incomes. To repay the principals and interest of foreign exchange loans they have borrowed from financial institutions at home within the scope authorized by the state, foreign-invested enterprises may make the payments directly from their foreign exchange balance; and if the amounts of foreign exchange they need for production, operation, repayment of principals and interests, and dividends they have to remit out of the country exceed their balance, they may purchase the foreign currencies from banks designated for handling foreign exchange through the state foreign exchange control authorities in accordance with documents issued by state-authorized departments and after their relevant contracts have been verified.

7. The valuation and settlement of domestic accounts will end and circulation of foreign currencies at home will be banned

Beginning 1 January 1994, all forms of valuation and settlement of domestic accounts will end; circulation of foreign currencies at home and trading of foreign currencies by financial institutions other than those designated to handle foreign exchange trading will be banned; and the issuance of foreign exchange certificates will stop. While those foreign exchange certificates that have already been issued can still be used, they will be converted back step by step.

8. Macroscopic control over international receipt and payment will be strengthened

The analysis and forecast of the balance and change in international foreign exchange receipts and payments will be strengthened, and China's macroscopic regulation and control over its international receipts and payments will be gradually improved. A system to compile statistics concerning international receipts and payments, and use of foreign exchange for repaying foreign debts will be established to stop up loopholes and reduce or stop foreign exchange losses. All relevant departments must work in close coordination with one another to deal with problems arising from this work so that the reform of the foreign exchange control system can be successfully implemented. [dated] 28 December 1993

Bank Official on Reform

OW3012055493 Beijing XINHUA Domestic Service in Chinese 0909 GMT 29 Dec 93

[Text] Beijing, 29 Dec (XINHUA)—A XINHUA reporter today interviewed Zhou Zhengqing, vice president of the People's Bank of China, on the reform of the foreign exchange control system.

[Reporter] What are the main aspects of the current reform of the foreign exchange system?

[Zhou] We should further reform the foreign exchange management system, establish a controlled floating rate system based on market forces and a unified and standard foreign exchange market, and move progressively to make the renminbi convertible in accordance with the "Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure." The main aspects of the current reform of the foreign exchange system are: 1) To implement a single, controlled floating rate system based on market supply and demand effective 1 January 1994, through the merger of different foreign exchange rates; 2) to implement a system under which banks will convert and sell foreign currency, and to abolish the practice of retaining shares of foreign exchange receipts and delivering foreign exchange earnings to state coffers; 3) to establish an interbank foreign exchange trading market and to improve the mechanism for shaping foreign exchange rates; 4) to prohibit the practice of setting

prices and settling accounts in foreign currency and the circulation of foreign currency; and 5) to abolish mandatory planning for foreign exchange revenue and expenditure in favor of state macrocontrol over foreign exchange and the balance of payments chiefly through economic and legal means.

[Reporter] What foreign exchange system will our country implement after the merger of different foreign exchange rates?

[Zhou] Our country currently implements an exchange rate system comprising both official rates for the renminbi and rates used by foreign currency exchanges. For instance, the official rate is approximately 5.8 yuan to the dollar, whereas the rate used by currency exchanges is about 8.7 yuan to the dollar. To meet the demand of constantly deepening our country's reform and opening up, to serve the need to establish a socialist market economic system, and to comply with IMF and GATT rules concerning exchange rate arrangements for member countries and contracting parties, the State Council has decided to reform the existing foreign exchange system through the merger of different exchange rates and the establishment of a single, controlled floating rate system based on market supply and demand. The distinctive features of this exchange rate system are: Supply and demand in the foreign exchange market will be the main basis for determining foreign exchange rates. Beginning on 1 January 1994, the People's Bank of China will quote exchange rates for the renminbi on the basis of the previous day's trading prices in the foreign exchange market and with reference to changes in the major currencies on international financial markets. The state will primarily adopt economic means—such as monetary and interest rate policies—to regulate foreign exchange supply and demand and to maintain the relative stability of exchange rates. The implementation of this new exchange rate system carries vital and positive significance for opening our country wider to the outside world and for developing economic relations, trade, cooperation, and contacts with other countries. The new exchange rate system will lay the foundation for making our country's renminbi convertible.

[Reporter] Following reform of the system, what regulations will be adopted for settling foreign exchange income?

[Zhou] The current reform of the foreign exchange system includes the abolition of the system of retaining a portion of foreign exchange and turning over a portion of foreign exchange to higher authorities, and the management system of foreign exchange limits. But we will continue to use the exchange settlement system. The reform's main contents include:

First, foreign exchange income of all Chinese enterprises, organs, and social organizations, including foreign exchange earned from exporting or transshipping goods and from other transactions; foreign exchange earned by

transportation, post and telecommunications, tourism, insurance, and other units, through providing services and through business association with government organs; and foreign exchange earned through labor contracting and investment outside the country that should be transferred back to China—they should all be sold to designated foreign exchange banks according to the official exchange rates.

Second, spot exchange accounts may be opened with designated foreign exchange banks for foreign exchange sent to China as investment by legal persons and natural persons outside the country; foreign exchange generated from borrowing and from the issuance of bonds, debentures, and stocks outside the country; money sent to China by labor contracting companies within their overseas contracting periods; foreign exchange in the form of contributions and grants that have been approved for specific purposes; foreign exchange income of foreign embassies and consulates in China and of international organizations' offices in China and other legal persons outside the country; and foreign exchange owned by individuals.

[Reporter] After all foreign exchange of an enterprise is settled and sold, how can the enterprise use foreign exchange?

[Zhou] Reform of the foreign exchange system abolishes the system of retaining a portion of foreign exchange and of turning over a portion of foreign exchange to higher authorities, and therefore, enterprises will be freer in using foreign exchange. For foreign exchange for general trading purposes, enterprises may buy foreign exchange at designated foreign exchange banks upon presentation of import contracts and payment notes issued by a financial institution outside the country. Enterprises dealing in imports subject to import quotas, import license, and import registration may buy foreign exchange upon presentation of appropriate contracts and proofs.

Purchase of foreign exchange as business payments not associated with trade may be made upon presentation of a payment agreement or contract and a payment note issued by an organ outside the country.

It should be pointed out here that, to make enterprises' use of foreign exchange more convenient, export enterprises, in the early stage of reform, will be allowed to establish a machine account at designated foreign exchange banks using 50 percent of their exchange settlement amounts. The foreign exchange needed for exporting by export enterprises may be drawn for the balances of their machine accounts upon presentation of valid proofs. The portion over and above the balances of their machine accounts may be bought at designated foreign exchange banks according to established regulations upon presentation of valid proofs.

[Reporter] Will the current reform lead to changes in foreign exchange control with respect to foreign-funded enterprises?

[Zhou] The current foreign exchange control measures regarding foreign-funded enterprises within our national boundaries will remain unchanged. Foreign-funded enterprises may still maintain spot exchange accounts in designated foreign exchange banks or in foreign-funded banks within our national boundaries. After undergoing examination and approval procedures by state foreign exchange control departments in accordance with relevant provisions, foreign-funded enterprises will buy, from designated foreign exchange banks, foreign currency that exceeds the balance in their spot exchange accounts for use in production and management, to repay principal and interest on their loans, and to remit dividends.

Furthermore, foreign exchange control provisions regarding foreign-funded banks within our national boundaries will remain unchanged.

[Reporter] Will the current reform of the foreign exchange control system affect individual foreign exchange holdings?

[Zhou] All individual foreign exchange holdings within our national boundaries, including foreign cash in private possession and foreign exchange deposits, will be handled in accordance with original provisions. Individual foreign exchange earnings may be deposited in banks or sold to designated foreign exchange banks; the decision will be up to the individual. Banks will continue to handle business regarding individual foreign exchange savings deposits. Allowing account-holders to make deposits and withdrawals freely, permitting interest to accrue on deposits, paying both principal and interest in foreign currency, and keeping account-holders' identities confidential will remain the principles governing individual foreign exchange deposits.

[Reporter] How will enterprises' original shares of foreign exchange receipts and spot exchange deposits be handled?

[Zhou] The balance of foreign exchange receipts retained by enterprises prior to 31 December 1993 will continue to be used according to the renminbi exchange rates quoted by the state on the same day.

Foreign exchange retained and settled by enterprises but not entered into accounts prior to 31 December 1993 should be entered into accounts before 31 January 1994; it should continue to be used in accordance with the aforementioned principle.

Spot exchange accounts maintained by enterprises prior to 31 December 1993 should be dealt with differently according to two different scenarios:

Under the first scenario, the status quo of spot exchange deposit accounts will remain unchanged if the account-holders are permitted to open these accounts in designated foreign exchange banks according to the new foreign exchange control measures.

Under the second scenario, account-holders who should settle their accounts according to the new foreign exchange control measures may continue to maintain their current spot exchange accounts. Nevertheless, they will only be permitted to withdraw money from their accounts, instead of making deposits, until their accounts are exhausted. The balance in their accounts may be used to make payments on current accounts, to repay foreign exchange debts, or to settle foreign exchange accounts with or sell foreign exchange to banks.

[Reporter] Are there any interim methods when linking up the new and old systems during next year's first quarter?

[Zhou] To ensure the linkage of the new and old systems and avoid disjointedness, some of the original practices will be continued during next year's first quarter. For example, the use of the balance of foreign exchange receipts retained by enterprises may be continued, and they may purchase foreign exchange at banks with quota allocation certificates. Chinese-funded organizations within the territory that retain shares of foreign exchange receipts or have foreign exchange accounts should first utilize the foreign exchange they retain or keep in bank accounts. In the event of insufficient or no retained foreign exchange receipts or accounts, enterprises may continue to purchase foreign currencies at foreign exchange regulatory markets through designated foreign exchange banks or financial institutions dealing with foreign exchange.

[Reporter] After the issuing of foreign exchange certificates is discontinued, can the current certificates continued to be used?

[Zhou] After the issuing of foreign exchange certificates is discontinued, foreign exchange certificates currently in circulation will still be valid and may continue to be used for shopping or paying bills. Banks will gradually retrieve them from circulation.

[Reporter] How can a unified and standardized foreign exchange market be established?

[Zhou] The establishment of a unified and standardized foreign exchange market is one of the important tasks of the current reform. Compared to the foreign exchange regulatory market, the features of this market are, first, it is an inter-bank foreign exchange trading market, and designated foreign exchange banks are the main participants of the foreign exchange trading market. Second, a unified trading system will be established and computer networks will be used to link up trading between designated foreign exchange banks and to speed up trading and settlement. Third, administrative laws and regulations will be formulated to standardize and legalize the foreign exchange trading so as to control and supervise trading in accordance with the law. Of course, the establishment of a unified and standardized foreign exchange market is a process of continuous perfection.

and improvement. The existing foreign exchange regulatory center will continue to operate for a period of time.

In short, through the foreign exchange system's reform, our country's previous two-tiered foreign exchange rates will be merged into one, foreign exchange receipts retained or delivered by enterprises will be abolished, and the conditions for enterprises to use foreign exchange will be relaxed. As the majority of import commodities currently in the market were already paid with foreign currencies purchased from foreign exchange regulatory markets at market prices, the combination of the two exchange rates into one will not hike the prices of commodities in general. Furthermore, the state has lowered import tariffs, and will continue to adopt such measures for lowering import cost so as to maintain basically stable prices.

Unified Rate To Begin 1 Jan

HK3012052693 Beijing CHINA DAILY in English 30 Dec 93 p 1

[By staff reporter: "Exchange System To Be Unified Next Year"]

[Text] The Chinese Government will unify its current dual-track foreign exchange system starting on January 1, 1994, a spokesman for the People's Bank of China—the Chinese central bank—announced yesterday.

A new unitary and controlled floating exchange-rate system, based on market supply and demand, will be introduced beginning in the new year, said Zhou Zheng-qing, vice governor of the People's Bank of China.

The central bank will publish the renminbi exchange rate against the U.S. dollar every day set with reference to the trading price of the previous day on the "inter-bank foreign exchange swap market" to be established next year.

It will also publish the renminbi yuan's rate against other major foreign currencies according to the current rates on the world financial market.

Zhou said that the central bank will try to balance the demand and supply of hard currencies and stabilize the renminbi exchange rate mainly through economic means such as monetary policies and interest rates.

China will not change its present regulatory measures on foreign currency for foreign-funded firms and domestic individuals after the unification of the exchange rate, he added.

In order to satisfy a requirement for re-entry to the General Agreement on Tariffs and Trade (GATT), China decided earlier this year to unify—within five years—its exchange rate, which has up to now been divided into an official rate set by the State Administration of Exchange Control and another market-driven rate quoted in the swap market.

Analysts believe that the unification of the dual-rate foreign-exchange system is an important step toward a freely convertible renminbi.

Zhou said the circulation of foreign exchanges will be banned on the Chinese mainland next year.

Meanwhile, the country will no longer issue foreign exchange certificates (FEC), starting next year. Existing FECs can be used temporarily and will be gradually withdrawn by banks.

China introduced FEC in 1980 as a convertible version of the renminbi but has long considered abolishing the notes because of the difficulties presented by a dual-currency system.

The spokesman said the previous practice of allowing some units to retain a part of their foreign-currency earnings will also be cancelled next year.

Instead, all domestic enterprises and institutions will be required to sell their foreign-currency earnings to state-designated banks at the rate published by the central bank.

But domestic enterprises and institutions can directly buy foreign exchanges at designated time on condition that they show import contracts and the payment notes of overseas financial institutions.

They can also buy foreign currency for the import of items under quota, import permit and registration control.

The bank official said the country will establish a unified inter-bank foreign-exchange market.

The designated banks, which will be connected through a computer network, will be the market's main participants.

The central bank will supervise the market through the State Administration of Exchange Control.

The merger of two-tier exchange rates into a single floating one is a breakthrough in the reform of China's foreign-trade system, Wu Yi, minister of Foreign Trade and Economic Co-operation, said yesterday.

'Computer Breakdown' Halts Currency Trade

HK3012112093 Hong Kong AFP in English 1110 GMT 30 Dec 93

[Text] Beijing, Dec 30 (AFP)—China's foreign exchange bank said Thursday it had suffered a "computer breakdown" that would probably prevent its clients from swapping yuan to dollars before an expected currency devaluation on January 1. "We have a major computer breakdown, which probably will not be repaired before Friday afternoon," a spokesman at the Bank of China told AFP by telephone.

"It is not certain that we will be able to guarantee our clients the current exchange rate when the bank reopens on Monday, we have not received any instructions from the central bank on this," he said. Banks in China will be closed from Friday afternoon for the New Year's break.

Foreign clients of the Bank of China rushed to try to withdraw dollars from their accounts, which are denominated in foreign exchange certificates (FEC). FEC, currently carrying an official exchange of 5.8 yuan to the dollar, are likely to lose between 30 and 40 percent of their value on Saturday, when China scraps its dual currency system.

The two exchange rates for FEC and the renminbi, which are both denominated in yuan, will be replaced by a single exchange rate aligned on supply and demand. The FEC, introduced in 1979, will disappear under the new system.

Bank Spokesman: FEC's Still Usable

OW3012131893 Beijing XINHUA in English 1250
GMT 30 Dec 93

[Text] Beijing, December 30 (XINHUA)—Foreign Exchange Certificates (F.E.C.) now in circulation can still be used, a press spokesman for the People's Bank of China, the country's central bank, said today.

FECs can be used either to buy goods or services, the spokesman said. "All rules and regulations governing the use of FECs remain unchanged," he added.

Preparations For Reform Begin

OW3012141593 Beijing XINHUA in English 1334
GMT 30 Dec 93

[Text] Beijing, December 30 (XINHUA)—Measures have been taken by the Bank of China (BOC), the country's specialized foreign exchange bank, to support the reform of the foreign exchange management system, starting on January 1.

The bank is now speeding up technical preparations for reform of its banking services, including Foreign Exchange Certificate (F.E.C.) accounts and foreign currency cash accounts.

According to a BOC official, the bank has drafted detailed regulations on these matters, as well as on international commercial and non-commercial accounts settlement.

To build up a feasible management system, the bank has launched trial operations of the new foreign exchange system, involving trade and non-trade accounts settlement.

The bank will allocate some U.S. dollars to replenish its reserves in order to secure the trading-in of foreign exchange certificates, the official said.

The reform of the foreign exchange management system includes the unification of exchange rates, establishment of an inter-bank swap market, suspension of F.E.C. issuing and macro-control on foreign currency and international income and expenditure.

Bank Of China Operations Grow in 1993

HK3012054993 Beijing CHINA DAILY in English 30
Dec 93 p 2

[By staff reporter Ren Kan: "BOC Shows Steady Growth"]

[Text] The Bank of China, the country's major foreign exchange bank, yesterday reported a steady expansion both in domestic and overseas operations during 1993.

The bank's outstanding savings in renminbi hit 189.7 billion yuan (\$33.2 billion) by the end of October, 34.17 billion yuan (\$5.9 billion) more than the end of last year.

Outstanding savings in foreign exchange during the same period amounted to \$26.7 billion, \$2.97 billion more than the end of last year.

Of the figure, individual foreign exchange savings in the bank rose \$2.6 billion over the end of last year.

The increase in savings greatly enhanced the bank's ability to supply loans to support the country's economic growth, said an official with the bank.

By the end of October, the bank's outstanding loans in renminbi amounted to 285.5 billion yuan (\$50 billion), 29.99 billion yuan (\$5.26 billion) more than the end of last year.

And, the outstanding loans and investment in foreign exchange rose by \$6.3 billion over the end of last year.

But the official noted the bank has been making great efforts to keep loans under strict control according to the central bank's macro-economic control policy.

The Bank of China has been seeking to improve its credit structure by concentrating its capital to support the country's key construction projects and foreign trade.

The official said the bank has also seen steady increases in its credit card business.

By the end of the third quarter of this year, the bank had issued 1.14 million credit cards with the total transaction value of the cards hitting 118.2 billion yuan (\$20.7 billion).

The official said the bank has also gained sound achievements in its overseas business.

The bank this year successfully issued three overseas bonds in London and Tokyo, pooling \$450 million in foreign funds.

At the same time, he said the Bank of China signed several contracts with overseas banks to get nearly \$2 billion in foreign loans.

The official said the bank paid great attention to expanding its overseas network in 1993.

It had established 464 overseas affiliates by the end of September, 23 more than the same period last year.

The total value of its overseas affiliates amounted to \$106.95 billion by the end of the third quarter of this year.

Outstanding savings in these affiliates hit \$53.78 billion, 9.8 percent more than the same period last year.

The affiliates have loaned \$31 billion, a 16.4 percent increase over the same period last year.

The Bank of China's board of directors met on Tuesday, appointing Wang Xuebing as the new president. Wang Qiren was named chairman of the board.

Economy 'May Experience' Higher Inflation in 1994

HK3012055093 Beijing CHINA DAILY in English 30 Dec 93 p 4

[By staff reporter Chen Xiao: "State Seeks to Control Inflation's Impact in '94"]

[Text] The tax reform package that is to take effect on January 1 has triggered a buying spree of durable goods in some big cities.

The spree continues despite repeated assurance by Jin Xin, Director of the State Administration of Taxation, that the reforms will not burden consumers.

Many residents are stocking up on goods out of fear that inflation will rise next year.

Store and factory managers are enjoying the run on stores because it enables them to unload stockpiled goods.

Economists, however, are not so relieved. They are worried that the economy may experience high inflation next year.

They are working to devise a plan that will fuel growth and not the inflation rate.

This will be difficult since it requires the government to regulate development without administrative decrees.

The central bank, which has gained more authority under reforms, will attempt to issue monetary policies that will keep the scale of capital investment under control while not squeezing enterprises, State-owned firms in particular, too hard.

Currently inflation, accompanied by a recent rise in grain prices, is causing concern among urban residents.

According to the State Statistics Bureau (SSB), the cost-of-living index—one barometer of inflation—is expected to grow 19.5 per cent this year, against only 10.9 per cent last year.

Despite different predictions, there is consensus that inflation will likely remain in double-digits in 1994.

Price growth will stay around the State budgeted 10 percent next year said Chen Jun, deputy director of the State Price Information Centre. He said that such an increase is reasonable during an upturn in the economy.

Wen Guifang, a price analyst of the Chinese Academy of Social Sciences, is not so optimistic. He said it would be a success if the inflation rate could be kept under this year's level.

A few officials even anticipated that inflation would hit 15 per cent next year.

But whatever its rate, there are two forces that can reduce its impact on people's daily lives besides government intervention.

One is if incomes grow faster than prices. According to the SSB, this year per-capita income after inflation in urban and rural areas is expected to increase 10 per cent and 2 per cent respectively.

The other force that can reduce the impact of inflation is if supply is sufficient. The Ministry of Internal Trade, after a survey of 700 goods, said only 10 per cent of commodities fall short of market demand.

These two factors will help hold down inflation.

But economists are worried that agricultural supply may fall short.

Wen said the size of next year's grain harvest is unknown. He said that although the central government said it will raise the purchasing price of grain and cotton next year, farmers continue to plant other crops.

This increase in purchasing prices, he said, will inevitably cause prices to rise in the city, though it may help farmers earn more.

Continuing price reforms should also push up prices. In particular Chen Jun said residents will spend more on fuel since the State plans to free coal prices on January 1.

He said the central government should take active but cautious steps on price reform so as not to stir up inflation.

Unlike price reform, reforms in the banking and financial sectors that are to begin next year should not directly spur inflation.

However, if the reforms are not carried out properly, they could lead to price hikes.

For example, some localities are using the reforms as an opportunity to cast off burdens. They are reducing subsidies that should be used to avoid large price fluctuations.

This cutting of subsidies partly caused recent price hikes in the grain market.

Without sufficient funds State-owned grain stores have had to raise grain prices to avoid losses. Some sellers even hoarded grain waiting for prices to rise.

The elimination of the officially controlled dual exchange rate on January 1 is another factor that may put up prices.

With the market setting the exchange rate, renminbi will be devalued, making imported inputs more expensive for State companies that had been using the official rate.

"Such cost-push inflation will continue to be the major type in 1994," said Liu Li, an analyst with the State Council.

In addition to the rising production costs, cost-push inflation is also caused by inadequate market demand, particularly in the rural market.

Slow growth of farmers' incomes will continue to make the rural market, with 800 million people, sluggish.

Currently, the purchasing power of the nation's 800 million farmers is no more than their 300 million city counterparts.

Thus, stockpiles have grown, adding to enterprises' production costs.

"The danger of inflation also stems from economic growth that happens too quickly," Liu said.

The central government successfully cooled down the economy with a package of macro-economic measures in July.

However, because firms could not get loans, the central government eased control in September, prompting an economic rebound.

On the State plan, the gross national product next year is estimated to be 9 to 10 percent—the highest on the plan in recent years.

"According to past experience, actual growth will probably be 4 to 5 percentage points higher than planned," Liu said.

After experiencing double-digit inflation at the end of the 1980s, more people have become used to the concept of annual price increases.

Zero inflation is not China's goal either. Without little inflation, the market can be sluggish and economy in recession, as evidenced in 1990 when inflation was around 2 percent.

"In the new year, the central government should control the economy to prevent it from overheating," said Wen Guifang.

By doing this, he said, the country can harness inflation effectively.

The State can also establish a nationwide social security system to protect low-income earners such as the retired and unemployed. This will also help the country maintain social stability.

ACFTU Stresses Need for Employee Protection

*OW2512155493 Beijing XINHUA in English 1524
GMT 25 Dec 93*

[Text] Beijing, December 25 (XINHUA)—The All-China Federation of Trade Unions (ACFTU) here today called on the government to take measures to safeguard the life security and legal rights and interests of Chinese employees in foreign-funded enterprises.

Xue Zhaoyun, spokeswoman of ACFTU, made the call at a news briefing on an investigation to a fire in Shenzhen City on November 19.

The fire, which broke out in a toys factory solely funded by a businessman from Hong Kong, killed 84 workers and left 20 others seriously injured.

According to Xue, the fire was an accident due to negligence. The owner had forced the workers to work at the risk of their lives. On behalf of the ACFTU, she said that those who hold liability for the accident must be punished according to law.

She pointed out that the wrong doing of trying to get overseas investment at the expense of the legal rights and interests of the Chinese workers and even their lives must resolutely be stopped.

She stressed that all overseas-funded enterprises must observe China's laws and regulations on labor safety and work out rules and take effective measures to ensure the safety of the workers.

The spokeswoman also said that trade unions should be set up in these enterprises, where the rights of the workers in joining trade unions and organizing activities must be protected by law.

East Region

Fujian Governor Appointed CPC Secretary

*HK3012082593 Hong Kong TA KUNG PAO in Chinese
30 Dec 93 p 2*

["Special dispatch" from Fuzhou by staff reporter Yang Hsiao-yang (2799 1420 3152): "Jia Qinglin Is Concurrently Appointed Fujian Provincial Party Secretary"]

[Text] Fuzhou, 29 Dec (TA KUNG PAO)—This reporter has learned that Jia Qinglin has been appointed by the CPC Central Committee as the new Fujian provincial party secretary while continuing to act as governor of Fujian province. Former Fujian Provincial Party Secretary Chen Guangyi had been transferred to be director of the Civil Aviation Administration of China and he will assume office in Beijing by the end of this year.

Jia Qinglin, 53, was born in Qingdao City, Shandong in March 1940 with his ancestry in Hebei. He graduated from the Department of Electrical Engineering at the University of Tianjin and was president of the department's student union in his undergraduate years. He was assigned to work at the State Council's No. 1 Ministry of Machinery Industry after graduation. He successively acted as technician, deputy head and head of the product administration, and was general manager of the China National Machinery and Equipment Import and Export Corporation. Afterwards, he resigned from the corporation and acted as director and party secretary of the Taiyuan Heavy Machinery Plant. He brought the plant, which was on the verge of bankruptcy, back to life and the livelihood of the staff and workers was greatly improved. He was reputed to be the most brilliant of the 10 directors of the Taiyuan Heavy Machinery Plant.

Jia Qinglin was transferred to Fujian province in April 1985 and successively appointed as a member of the provincial party committee standing committee and head of the organization department, and deputy provincial party secretary. In November 1990, he succeeded Wang Zhaoguo as acting governor of Fujian province. In 1991, he was elected governor of Fujian province at a provincial people's congress session.

Shandong Planning Work Conference Ends 29 Dec

*SK3012093193 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 29 Dec 93*

[Text] The provincial planning work conference ended in Jinan on 29 December. Li Chunting, deputy secretary of the provincial party committee and vice governor of the provincial government, gave a speech at the conference.

Li Chunting said: The most arduous task in 1994 is reform and the most favorable opportunity for development is reform too. So, all levels and all departments

should pay attention to studying various documents on reform; persistently coordinate reform with development and social stability; attach prominent importance to the work of enterprises; strengthen the monitoring and calculation of the economic development trend; and ensure smooth progress of reform and the sound development of the economy.

Li Chunting said: Next year, all departments should further deepen their understanding about agriculture's role as the foundation of the national economy, regard the increase in the peasants' income as the fundamental point to start with and wind up the rural work, vigorously increase the overall production forces of the rural areas, strengthen the macroeconomic regulation and control of agriculture, exert great efforts to grasp cotton production, and immediately change the passive situation.

In regard to the issue concerning the readjustment of the economic structure and the strategy for guiding the development of the export-oriented economy, Li Chunting said that from now on, we should make structural readjustment in line with the following few orientations: First, continue to grasp the basic industries and the construction of infrastructural facilities. Second, promote the progress of the processing industries along with the orientation of modern large industries. Third, positively readjust the proportion of primary, secondary, and tertiary industries; and pay particular attention to vigorously developing the tertiary industry. Fourth, readjust the urban and rural structures in a well-planned and step-by-step manner.

In regard to the issue of accelerating the implementation of the strategy for guiding the development of the export-oriented economy, we should expand the scale of foreign export trade to promote the structural readjustment and optimization, bring in advanced technologies and managerial experiences to promote the improvement of the overall quality of the enterprises, bring in foreign capital to promote the speed and reserve strength for economic development, go beyond the country's gates to run enterprises and promote the internationalization of the regional economy.

Li Chunting stressed: We must never ignore problems due to the price of goods. The party committees and governments at various levels should positively and steadily promote price reform and bring excessive price hikes under control; regard them as important tasks for the 1994 economic and planning work; and realistically and firmly attend to them. We should carefully organize and arrange the plans for price reform, strictly bring the rise in the general price index under control, firmly attend to setting up and perfecting the price regulation and control means, and conscientiously implement the policies on supporting and protecting agricultural development, and peasants' benefits.

Shandong To Transmit TV Programs Via Satellite

SK3012093493 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 29 Dec 93

[Text] Beginning on 1 January 1994, Shandong television station will transmit programs via satellite Zhongxing No. 5. This is an important milestone in the development of our province's television undertakings and an important move for expanding the propaganda of Shandong. The Shandong television station will rent this satellite and transmit programs on channel No. 8. The frequency is 4000 megacycles per second. The longitude is 115.5 meter east. The satellite transmission signal covers the whole country and over 10 countries and regions, including Hong Kong, Macao, Taiwan, Japan, the DPRK, the ROK, Vietnam, and Mongolia. The programs transmitted through satellite will be arranged and selected from the programs of the existing two transmissions of the provincial television station, and will start at 0630 in the morning and end at 0100 before dawn. The daily broadcast time amounts to nearly 20 hours. The satellite programs will be based in Shandong, serve the whole country, and give consideration to the neighboring countries and regions. Greater emphasis will be given to news programs. Nine news programs will be broadcast during the day and greater weight will be given to healthy entertainment programs to stimulate the people to make progress in an effort to better serve the viewers in and outside the province and in the country and abroad. The time from 2200 to 2230 every day will be devoted to regularly broadcasting the television programs of 14 city and prefectural television stations of the province in order to show the layout of the programs of the television departments across the province and more colorfully and vividly show the image of Shandong. During the broadcast of the Shandong satellite station, the programs of Shandong People's Radio Broadcast Station and of the economic station of the Shandong People's Radio Broadcast Station will also be carried through satellite.

Shanghai To Open Foreign Exchange Trading Center

OW2912174393 Beijing XINHUA in English 1549
GMT 29 Dec 93

[Text] Shanghai, December 29 (XINHUA)—The China Foreign Exchange Trading Center, the country's trade hub for foreign exchange, will open here in Shanghai in the first half of next year.

It will be the largest and most advanced marketplace for foreign currency in the country.

The fitting up of the foreign exchange trading center is now in full swing. The computerized trading system at the center will be connected to six major cities throughout the country on January 1. According to banking sources, the government-sponsored trading center will mainly provide services for banks in trade and settlement of hard currencies.

Southwest Region

Southwestern Railway Officials Interviewed

Part One

HK2412090293 Beijing CHINA DAILY in English
23 Dec 93 p 4

[By staff reporter Huang Zhiling: "Railways to Put Southwest on Track"—first of two reports; first paragraph is CHINA DAILY editor's note]

[Text] Southwest China is running a new rail building campaign in a bid to catch up with economic development in more advanced regions. It's the third by the resource-rich but land-locked region since the founding of the People's Republic of China in 1949. China Daily staff reporter Huang Zhiling recently interviewed officials from the Chengdu Railway Administration (CRA) in Sichuan province, which oversees the southwest network to find out how the drive was going. In the first of two reports, Huang reviews 44 years of rail construction in Southwest China.

In the early 1950s, the three Southwest provinces—Sichuan, Yunnan and Guizhou—had no standard track. Yunnan had only 600 kilometres of narrow track laid by the French in 1903 to haul tin to Vietnam, and eastern Sichuan had 68 kilometres of light track.

In 1950, the government made the Chengdu-Chongqing Railway in Sichuan its first large construction project. And in 1952, the railway went into operation, heralding New China's economic construction.

Four years later, engineers completed the Baoji-Chengdu Railway, the first line linking Southwest China with other parts of the country.

"That was the first boom of rail construction in Southwest China," said CRA director Wang Yuanfeng.

Many more railways were built in the 1960s and 1970s, marking the area's second railway boom. Major arteries built in this time went from Guiyang to Liuzhou, Chongqing to Guiyang, Guiyang to Kunming, Chengdu to Kunming, Changsha to Guiyang and Xiangfan to Chongqing. They formed the 5,700-kilometre southwest rail network. Popular sayings used to hint at the difficulty of travel in the region. "Travelling in Sichuan is as hard as mounting the sky," "Yunnan's trains only connect with foreign lands" (a reference to the French-built line to Vietnam) and "Guizhou doesn't have 3 li (1.5 kilometres) of flat land."

Before the rail network was formed the region's average annual industrial and agricultural growth rate was 6.2 per cent, lower than the national average of 8.7 per cent.

The network helped change this situation and became the driving force behind the region's development.

Southwest China's annual growth rate increased to an average 9.3 per cent in the 1970s and mid-1980s, higher than the national 8.7 per cent.

In 1975, railway departments electrified the Baoji-Chengdu Railway. It was the first such line in China and was followed by the Chengdu-Chongqing, Guiyang-Kunming, Changsha-Guiyang, and Chongqing-Guiyang railways.

Rail is now Southwest China's most important means of transport.

In the 40 years since its first line started operation, the southwest rail network has hauled more than 1.7 billion passengers and over 1.8 billion tons of freight.

But the region has laid no new line since the Xiangfan-Chongqing Railway opened in 1976 and boosting the handling capacity of existing railways alone cannot satisfy the needs of the national economy.

"Railways have become a bottleneck in the region's development," said Xie Zhirong, senior engineer and deputy director of the CRA Capital Construction Department.

In 1976, the southwest rail network moved 48 million people and 39 million tons of freight. Last year, the figures were 68 million people and 111.5 million tons.

According to a CRA survey, almost every passenger train in Southwest China is overcrowded, and only 41 per cent of the applicants for freight train space have their requests approved.

More than 11 million tons of freight have been stockpiled in Southwest China because of the shortage of trains, forcing many firms to cut or stop production to wait for raw materials.

"Much farm produce and its byproducts has to be sold cheap or rot where it is grown," said Xie, who has worked for CRA for 30 years.

If Southwest China maintains a 7.5 per cent growth rate in its industrial and agricultural output during the Eighth Five-year Plan (1991-95) and an 8 per cent growth rate in the Ninth Five-year Plan (1996-2000), as has been planned, the Southwest rail network will have to transport 90 million people and 130 million tons of freight in 1995 and 110 million people and 160 million tons of cargo by the year 2000. "It is urgent for the region to launch a large-scale rail construction campaign," said Wang.

Part Two

HK2412090493 Beijing CHINA DAILY in English
24 Dec 93 p 4

[By staff reporter Huang Zhiling: "Rail Project Going Full Throttle Ahead"—second of two reports; first paragraph is CHINA DAILY editor's note]

[Text] Southwest China is running a new rail building campaign to catch up with economic development in more advanced regions. It is the third by the resource-rich but land-locked region since the founding of the People's Republic of China in 1949. China Daily staff reporter Huang Zhiling recently interviewed officials from the Chengdu Railway Administration (CRA) in Sichuan Province which oversees the southwest rail network to find out how the drive was going.

Accelerated national economic growth last year exposed the backwardness of China's rail system.

It is often said: "To become rich, build a railway first."

Following this slogan, Southwest China has embarked on a massive rail construction campaign, the third in the past 44 years.

With an investment of more than 10 billion yuan (\$1.7 billion), the ongoing rail construction involves building new lines, laying double tracks, electrifying old lines and improving railway hubs.

According to Xie Zhirong, senior engineer and deputy director of the Capital Construction Department of the CRA, the campaign centres around Chengdu, capital of Sichuan Province.

To Chengdu's north is the double track construction of the Yangpingguan-Chengdu section of the Baoji-Chengdu Railway and the construction of the Daxian-Chengdu Railway; to the south is the Neijiang-Kunming Railway project; to its east and west are the electrification projects of the Chongqing-Daxian Railway and the Chengdu-Kunming Railway.

The Baoji-Chengdu line is a north south trunk, creating a passage from Southwest to Northwest, North and Northeast China. But its handling capacity can no longer keep up with the growing needs.

The 400-kilometre-long double track along the railway's Yangpingguan-Chengdu section will be one way to solve the problem.

When it is completed in 1996, the section will have a capacity of 50 million tons of cargo a year, Xie said. The project will cost 3.6 billion yuan (\$622 million). Seventy-five per cent of the funding comes from the Ministry of Railways and the rest from Sichuan.

Similarly, the electrification of the Chengdu-Kunming Railway is a solution to the line's limited transportation capacity. It will cost 2.7 billion yuan (\$466 million).

The Ministry of Railways has decided to invest 1.6 billion yuan (\$276 million) in the next three years to first electrify the line's 725-kilometre Chengdu-Panzhihua section. When completed in 1995, its annual transportation capacity will be 21 million tons.

And when the 225-kilometre-long Chongqing-Daxian section of the Xiangfan-Chongqing Railway is electrified in 1995, its annual transportation capacity will hit 22 million tons.

The Neijiang-Kunming Railway is the nearest passageway for moving coal from Guizhou to Sichuan. Once it is connected with the Nanning-Kunming Railway, it will be Sichuan's nearest rail passage to the sea. The line's 369-kilometre Anbian-Shushe section, scheduled to start construction by the end of the Eighth Five-Year Plan (1991-95), has a planned handling capacity is 11.2 million tons.

According to Xie, construction of the Nanning-Kunming Railway is in full swing and will be completed in 1997.

Impact

By 1995, the Southwest rail network will run 6,400 kilometres, about half of which will be electrified, said Xie.

The third rail construction boom will have a profound impact on Southwest China's economic development.

These lines will make it much easier for passengers and cargo to enter and leave Sichuan, and ultimately help narrow the gap between Sichuan and Central and South China.

The electrification of the Chengdu-Kunming Railway and the Daxian-Chongqing section of the Xiangfan-Chongqing Railway will help Chongqing, the largest industrial city and distribution centre in Southwest China, to play a major economic role.

After the Nanning-Kunming Railway opens to traffic in 1997, Southwest China will have a new outlet to the sea.

"The railway makes it possible for the three southwestern provinces to fulfill their joint ambition to have a share of the market in Southeast Asia and South Asia," said Xie.

Sichuan Steel Complex Helps 'Rural Industry'

OW2812171893 Beijing XINHUA in English 1038
GMT 28 Dec 93

[Text] Chengdu, December 28 (XINHUA)—The Pan-zhihua Iron and Steel Company in southwest China's Sichuan Province has decided to spend two million yuan helping nearby villages develop rural industry.

Over the past eight years the company has been striving to help the poor farmers in nearby yanbian county and 24 other villages, with a total population of 460,000.

Due to the rugged mountains, poor roads and arid farmland, life here used to be extremely poor, and half of the population was living under the official poverty line.

Upon visiting the area in 1986 officials from the company were shocked at the sharp contrast between the

poverty of the farmers and the modern, affluent steel company. They determined to help seven townships.

A co-ordination group was immediately set up by the company to organize the work. All departments were mobilized to contribute, and 16 officials were sent to the villages as supervisors.

As many of the villages lacked even the basic infrastructure, an important part of the company's efforts has been helping them to build roads, bridges, and water and electricity supply systems.

The company also donated cement and steel to help build a 66-km-long tunnel through which some 300 ha of farmland is now irrigated, thus increasing grain production markedly.

By providing support in funds and technology, the company helped local farmers raise domestic animals and silkworms, which now constitute an important source of income.

Since 1987, beside contributing funds, the company has provided help with feasibility studies and technology, even sending its own technicians to help the new enterprises.

Now these enterprises are not only bringing millions of yuan in income to the villages each year, but are also training many skilled workers and managers.

A more recent effort of the company has gone into improving the educational level of the farmers. It decided last year that the company schools would accept each year 100 ethnic-minority students from the villages nearby for six years, while funding the schooling of 1,068 children from farm families.

North Region

Beijing Cadres Meet on Central Guidelines

SK3012092193 Beijing BEIJING RIBAO in Chinese
15 Dec 93 p 1

[By reporter Si Jinghui (0674 2529 6540) and correspondent Kang Guoshun (1660 0948 7311): "To Become Well-off Ahead of Schedule, We Must Give Play to the Primary Role of the Working Class"]

[Excerpts] Yesterday, the municipal party committee held a meeting of leading cadres of party and government organs and of the Trade Union Council to relay the guidelines of the 12th trade union congress of China, offer suggestions for implementing the guidelines, and work out specific plans for carrying out the work. Chen Xitong, secretary of the municipal party committee, stressed: To accelerate the reform pace of building the socialist market economic system, promote sustained, speedy, and sound economic development, and strive to realize the objective of becoming "well-off" three years

ahead of schedule, we must wholeheartedly rely on the working class and give full play to its mainstay role.

Attending the meeting were leaders of the All-China Federation of Trade Unions and Beijing Municipality, including Zhang Dinghua, Zhang Jianmin, Yang Xingfu, Xiao Zhenbang, Chen Guangwen, Zhang Baifa, Ouyang Wenan, Duan Bingren, Feng Mingwei and Chen Dabai.

The meeting was presided over by Executive Vice Mayor Zhang Baifa. Shang Baokun, chairman of the municipal Trade Union Council, relayed the guidelines of the 12th congress of trade unions of China and worked out specific plans for the municipal Trade Union Council to implement the congress guidelines. [passage omitted]

At the meeting, Chen Xitong, secretary of the municipal party committee, stressed: We must clearly understand and specifically implement the guidelines of the 12th trade union congress of China in ten aspects in line with Beijing's specific situation. First, we must understand that the role of the working class as a leading class is determined by history and is the inevitable result of the development of history. If we fail to clearly understand this point, we will be puzzled by some false theories and err in our work. Second, wholeheartedly relying on the working class is delineated by the nature of our party and our socialist country. We should soberly recognize that if we fail to rely on the working class, our party's cause will lose its basis and the great cause of building socialism with Chinese characteristics will be impossible to accomplish. Third, under the socialist conditions, all sectors of the economy should rely on the working class. Fourth, no matter what management system we adopt, we should rely on the working class. The working class represents advanced productive forces and production relations. No enterprises, regardless of their forms, will be invigorated if they fail to rely on and mobilize the enthusiasm of the working class. Fifth, at present, we should clearly understand that in developing the socialist market economy we should rely all the more on the working class and give play to its primary role. Sixth, all departments and leaders at all levels should not pay lip service to the proposal of wholeheartedly relying on the working class, but translate it into specific goals and actual deeds. It is necessary to carry out our work creatively, explore effective ways to enable the working class to become masters of their own destiny, popularize the good experiences, and form them into a system. Seventh, enterprise leaders should wholeheartedly, realistically and earnestly rely on the working class, respect the views and suggestions of workers, be good at mobilizing their enthusiasm, and enable all sorts of production and operational measures of enterprises to be more forcefully carried out. Eighth, party and government organs and trade unions should carry out their work in close connection with the central task of economic construction and should strive to do their work well. Ninth, we should conduct a municipality-wide general discussion on wholeheartedly relying on the working class, further unify thinking, enhance understanding and cultivate the master image of the working class. Tenth, we should

agree with the proposal of the municipal Trade Union Council on conducting an "emulation drive of marching towards the goal of becoming well-off and making contributions," base ourselves on long-term plans, grasp the current work, and strive to realize the objective of becoming well-off three years ahead of schedule through specific and effective work.

Beijing Enterprise Leaders Hold Forum

SK3012021393 Beijing BEIJING RIBAO in Chinese
15 Dec 93 p 1

[Excerpts] How to wholeheartedly rely on the working class under the new situation of building the socialist market economic system in an effort to accelerate the pace of reform, opening up and economic construction? A few days ago, Chen Xitong, secretary of the municipal party committee, invited leaders of some enterprises, institutions, and units to a forum to talk freely about this topic.

Attending the forum were plant directors, managers and party committee secretaries of large and medium-sized industrial and building and urban construction enterprises and responsible persons of commercial and tourist units and of colleges and universities. Among them were leaders of state-owned and collective enterprises and of the three types of foreign funded enterprises or shareholding enterprises. At the forum, they talked about their understanding, ways of doing things and experience in wholeheartedly serving the working class in line with reality. [passage omitted]

Chen Xitong, secretary of the municipal party committee, chipped in frequently and gave a speech at the end of the forum. He said: To build the socialist market economic system and to further conduct reform and opening up, we must wholeheartedly rely on the working class. This is determined by the socialist system. If we fail to rely on the working class, we will lose the basic characteristics of socialism. Regardless of state-owned enterprises, collective enterprises or the three types of foreign-funded enterprises and private enterprises, they should all rely on the working class without exception. Reform is aimed at emancipating the productive forces. Without the enthusiasm of the masses of workers, nothing can be successfully carried out. We should talk about this work and grasp it justly and forcefully. At present, among the enterprises, only the plant committee, the workers congress, the board of directors and the congress of shareholders have manifested the democratic management of workers. In the future, wholeheartedly relying on the working class will remain essentially the same despite all apparent changes regardless of the emergence of whatever new forms.

Chen Xitong also quoted the story of Antai, an unconquerable giant in the ancient Greek mythology who was strangled after leaving his mother earth. He said: We must wholeheartedly, realistically and earnestly rely on the working class. We should treat the working class as

the mother earth. Without the working class, the communist party will have no backing. And without the support of the masses, plant directors, managers and secretaries will accomplish nothing. He emphatically pointed out: Upholding and improving the plant director and manager responsibility system, giving play to the political core role of party organizations and wholeheartedly relying on the working class are not antagonistic to one another but supplement one another. If enterprises have given full play to the political core role of their party organizations and rally around the working class, plant directors and managers will be able to boldly assume responsibility over their work and create a new situation with one heart and one mind.

Municipal leaders, including Chen Guangwen, Ouyang Wenan, Duan Bingren and Qiang Wei, and responsible persons of the municipal Trade Union Council also attended the forum.

Beijing Court Sentences Computer Smugglers

SK2912234493 Beijing BEIJING RIBAO in Chinese
13 Dec 93 p 1

[Text] A few days ago, the municipal intermediate people's court held a meeting to openly pronounce the first trial of the serious smuggling case relating to Jin Yanjing, Wang Xikang, Lu Jinzhong, Jin Yongsheng, Zhuang Zhendong, and Liao Xiaochi.

With the positive assistance by Lu Jinzhong, manager of the management department of Beijing Xintong group company; and Jin Yongsheng, general manager of the applied electronics company of Beijing Xintong group company, from September 1990 to June 1991, Jin Yanjing, director of Beijing Xintong group company, ganged up with Wang Xikang, general manager of Kangmei company of Hong Kong, to smuggle into the border successively on 12 occasions computers, complete sets of B-mode sonograph instruments, and complete sets of mimeograph instruments whose import is under state restrictions or should be linked with customs duties. They escaped customs supervision, unlawfully marketed these goods, and earned profits. The smuggled goods were valued at more than 71.81 million yuan, and more than 28 million yuan worth of customs duties were evaded.

In May 1995, Liao Xiaochi, manager of the trade department of Hong Kong Liaohai Corporation, ganged up with Wang Xikang to forge documents and to smuggle 48 B-mode sonograph instruments, totaling 1.92 million yuan. They evaded more than 1.1 million yuan of customs duties.

From March to June 1991, Zhuang Zhendong, general manager of Zhongnan enterprising company of Hong Kong, ganged up with Wang Xikang to forge documents and smuggle mimeograph instruments and computers on several occasions. The smuggled goods were valued at 1.46 million yuan, and more than 780,000 yuan of the domestic customs duties were evaded.

The municipal intermediate people's court maintained: These persons, including Jin Yanjing, ganged up with the people in and outside the border to engage in smuggling activities on several occasions. Thus, they were guilty of smuggling. According to their different cases, the municipal intermediate people's court sentenced Jin Yanjin eight years' imprisonment and divested him of a year's political power; and sentenced Wang Xikang 13 years' imprisonment, Lu Jinzhong and Jin Yongsheng five years' imprisonment, Zhuang Zhendong seven years' imprisonment; and Liao Xiaochi three years' imprisonment. Simultaneously, heavy fines were imposed on them according to laws.

Northwest Region

Xinjiang's Song Hanliang on Deng's Works

OW2712082193 Urumqi XINJIANG RIBAO in Chinese
11 Dec 93 p 1-2

[Article by Song Hanliang: "Work Hard To Do a Good Job in Xinjiang's Stability and Development—Thoughts After Studying Volume 3 of the *Selected Works of Deng Xiaoping*"]

[Text] Volume 3 of the *Selected Works of Deng Xiaoping* focuses on expounding a series of basic issues such as what is socialism and how to build socialism. It is an important work on Marxism. Each of its chapters is full of comprehensive and profound contents reflecting beams of wisdom that inspire readers. After reading through the book, I would especially like to focus on the exposition concerning stability and development. In the selected works, articles and theoretical viewpoints in this aspect are discussed at length, taking a prominent position in the book. These articles, which are summarized from practice, are of great significance in guidance. Studying this book has enabled me to better understand that without a stable political environment, the cause of reform and construction cannot proceed smoothly; and without achieving great economic advances, it is impossible to realize long-term political stability and order.

1. In Ethnic Regions, Development Is Also the Last Word

Since the founding of New China, drastic changes have taken place in various areas inhabited by minority nationalities in our country. Especially during the 15 years of reform and opening up, areas inhabited by minority nationalities, like other parts of the country, have also made magnificent progress. However, due to various reasons, the disparity between the ethnic regions and inland provinces, coastal areas in particular, continues to widen. This is a matter of concern for Comrade Xiaoping, and of keen interest to the CPC Central Committee and State Council. Cadres and the masses of people in ethnic regions are even more anxious and worried, trying to search for practical ways and means to reduce the gap.

In explaining "the essence of socialism is to liberate and develop productive forces, eliminate exploitation and polarization, and finally achieve common prosperity," Comrade Xiaoping clearly points out the goal of socialism is to achieve common prosperity and its basic task is to liberate and develop productive forces. In ethnic regions, the only way to reduce disparity and prevent polarization also lies in liberating and developing productive forces. Therefore, development is also the last word in ethnic regions.

The development of ethnic regions can not only display the superiority of socialism but also vividly reflect our country's policy towards minority nationalities. At the same time, the development of ethnic regions will exert a very good influence on our neighboring countries, enhance our country's prestige, and help create a peaceful external environment.

2. In Developing Ethnic Regions, It Is Necessary To Solve Some Questions of Understanding Properly

Understanding is the precursor of action. In developing ethnic regions, if we do not solve questions of understanding first, we cannot make substantive progress due to the lack of understanding. What are the questions of understanding we should solve?

First, we need to have a sense of urgency in developing ethnic regions. In his talks with several central responsible cadres in August 1991, Comrade Xiaoping said: "In the past, we fell short of the best but were better than the worst. Now it is questionable whether we are still better than the worst." "If we fail to seize the opportunity to push our economy to a higher level, we will lag behind as others take faster strides." The above remarks, made by Comrade Xiaoping to the coastal areas, have the same practical significance for ethnic regions. As far as Xinjiang is concerned, of the eight countries bordering Xinjiang, some are facing difficulties at this moment and, compared with Xinjiang, their economic development and peoples' living standards are on a par with or not as good as those of Xinjiang in some fields. It is precisely because of this reason—that we are poorer than the inland provinces but better off than other countries—Xinjiang's unity and stability are not yet affected. However, we should realize that most of our neighboring countries have better economic and technological foundations and their peoples are of better quality. Once they tide over the difficult period, they will probably develop faster than us. If Xinjiang does not quicken its development pace, we may encounter problems when we compare ourselves to both inland provinces and other countries; and this will certainly create unfavorable effects on Xinjiang's stability. We should firmly seize the current historical opportunity to develop faster than other neighboring countries. This is the only sure-fire plan for safeguarding the long-term prosperity and stability in the northwestern border areas. Therefore, on the question of development in ethnic regions, it is necessary to do

things within our capability while fostering a sense of urgency, race against time, and develop as quickly as possible.

Second, the development of ethnic regions is an inherent requirement for our country's four modernizations. Comrade Xiaoping has fully affirmed the position of ethnic regions during the entire situation. He said: "Many of China's resources are scattered in regions inhabited by minority nationalities, including Tibet and Xinjiang." "The prospects for developing these resources are very bright." Rich resources in regions inhabited by minority nationalities determine that China's great undertaking of the four modernizations depends upon the development of ethnic regions. In fact, the relations of supply and demand between the state and ethnic regions has become more and more obvious. For example, Xinjiang has become a vital new force in our country's oil industry; China's nonferrous metal resource base has been shifted to the northwest, Xinjiang in particular; and Xinjiang plays a decisive role in cotton supply. These facts suffice to prove that if the development of ethnic regions is too slow, it can drag down the development of the nation as a whole. However, some of our comrades have thus far emphasized only the political aspect of the development of ethnic regions while ignoring their economic role in the country; aid to ethnic regions is often limited to the formula of "assisting the poor" without attaching importance to developing the potential of ethnic regions and enabling them to develop through participating in the nationwide modernization construction. We should correct this outdated traditional concept and establish a new concept in which the development of ethnic regions is the inherent requirement for our country's four modernizations. Only by doing so can ethnic regions develop soundly.

Third, ethnic regions are already equipped with the preliminary conditions for development. The achievements over the past 40-odd years manifest that ethnic regions are no longer in a state of abject poverty. Socialist construction has established a fairly solid foundation for the accelerated development in ethnic regions, and they have the conditions for development in certain areas. In Xinjiang, the major development in oil and natural gas resources, as well as smooth progress made in geological prospecting for nonferrous metals and gold mines, brought opportunities for the rise of oil refining, chemical, metal mining, and other related industries. At the same time, with the second largest Asian-European land bridge opening up to traffic and the implementation of the strategy of opening up along the border areas, Xinjiang has become our country's international passage to the west and a hot spot attracting investments from home and abroad. All these can become new economic growth points with huge potential. The development of Xinjiang will be very conducive to raising our country's economy to a new level.

Xinjiang has witnessed a glorious chapter in its past history. The ancient Silk Road made Xinjiang the converging place of the Western and Eastern civilizations.

After the founding of the People's Republic of China, Xinjiang distinguished itself in the 1950's with the discovery of the Karamay oilfields, with the Xinjiang Production and Construction Corps taking the pioneering steps in developing modern agriculture on the Gobi wasteland, and for being the earliest region in opening to the outside world (at that time in Urumqi there were three Sino-Russian joint ventures—an oil company, a nonferrous and rare metal company and a civil aviation company—with a large number of Russian experts, and trading between China and Russia was very brisk there); and it had exerted a positive influence on the entire country. It was only from the beginning of the 1960's, for reasons known to all, that Xinjiang's economic development and opening to the outside world subsided with the imposition of an insurmountable man-made barrier along the 5,400-kilometer border, and thus it was sealed off for 20 full years. However, from our tortuous history, we can clearly notice that in a region like Xinjiang, as long as we persist in developing it, it will have a good effect on the whole country.

3. The Basic Concept in Developing Nationalities Areas

Comrade Xiaoping and the Party Central Committee are greatly concerned about the growing gap between areas inhabited by people of minority nationalities and the interior of the country, and have given due consideration to seek ways and means to resolve this problem. For instance, Comrade Xiaoping suggested the possibility of making areas that have prospered first to "turn in more profits and taxes," and the possibility of having a prosperous province or area to take care of one or two poverty-stricken provinces or minority nationalities areas (starting with technological transfer), thereby achieving the goal of common prosperity. While the party Central Committee and the State Council are in the process of strengthening macrocontrol, one of the key tasks of it is to support the underdeveloped areas and areas inhabited by minority nationalities to realize common prosperity, and this has duly embodied Comrade Xiaoping's consistent line of thought. All these ideas have proceeded from actual conditions, and we have wholeheartedly supported them.

In accordance with this line of thought, I believe there are two more aspects that are worthy of consideration:

First, I propose we draw up an overall development plan incorporating a mutually complementary system between the western and the eastern parts of the country. We should incorporate the development of the nationalities areas into the unified national plan in structure and in mechanism, and change the previous pattern of "supporting the impoverished" areas to a new mode of joint development, and strive to gradually narrow the gap in the course of development. This is an alternative concept for ensuring the development of the areas resided in by minority nationalities.

Second, I believe speeding up the establishment of a socialist market economy is the way we must follow in

developing areas inhabited by people of minority nationalities. As of the end of 1992, the prices of the overwhelming majority of consumer goods and means of production were fixed by the market, and only those of cotton, cured tobacco, sugar, and silkworm cocoons had not yet been liberalized. At the same time, the planned prices of petroleum, natural gas, and coal were far below the international market prices, thus causing losses among the relevant industries and seriously dampening their enthusiasm. However, I believe this has also done great harm to the producing areas. For example, in the case of Xinjiang's major products—namely cotton, sugar, silkworm cocoons, petroleum, natural gas, and coal—any irrational prices will not only affect the peasants' income and local financial resources, but what is even more serious is that because irrational prices make a business unprofitable, it has affected investors' enthusiasm, thereby making it impossible for manpower, capital and materials to flow reasonably into minority nationalities areas. On the contrary, the minority nationalities areas are losing some of their manpower, capital, and materials which flow to developed areas. These are all caused by the planned economic system. One can say that the planned prices set under the planned economy have seriously affected the western part of our country and areas resided by ethnic minorities. If this state of affairs is not changed early enough, the gap between the western and the eastern parts of the country will continue to widen and the western areas and ethnic minority regions will permanently remain in backwardness.

Xinjiang has an area of 1.65 million square kilometers which accounts for one-sixth of the nation's total area. Since the founding of the People's Republic over 40 years ago, the first round of geological prospecting for minerals has not been completed yet. Nevertheless, because coastal and interior provinces are small in area, some of them have completed several rounds of geological prospecting. Because of less prospecting in Xinjiang, the rate of success of prospecting is very high here; while mineral deposits that can be found in coastal and interior areas now are all of a low grade, small quantity, and low economic returns. However, the prospecting structure characterized by "restricting one's activities to a certain designated area" formed under the planned economy is hard to change. The inability to use more of the limited funds for prospecting in areas with promising prospects has resulted in failure to ascertain and tap the rich underground resources in nationality areas rapidly; and the effect on minority nationalities areas with rich natural resources is self-evident.

An analysis of the aforesaid two examples shows that, apart from historical factors, the fetters of the planned economy are certainly an important cause contributing to the slow pace of development in minority nationalities areas. To break these fetters, we must unwaveringly implement the decisions of the Third Plenary Session of the 14th Party Central Committee, quicken our pace of reform and opening to the outside world, bring about an early establishment of a socialist market economic

system, and streamline the pricing system as soon as possible. Only then can the areas of minority nationalities give full play to their superiority of rich natural resources. Therefore, we say the establishment of a socialist economy is the road we must follow in developing the minority nationalities areas. This offers another alternative concept for speeding up the development of minority nationalities areas.

4. The Overriding Task Is Stability

"As far as China's problems are concerned, the need for stability is most important. Without a stable environment, nothing can be accomplished. Moreover, the achievements gained may be lost." This is an important principle consistently upheld by Comrade Xiaoping. We are in a process in which we must concentrate on economic development. It is impossible to carry on the four modernizations drive and to carry out reform and opening up to the outside world in a turbulent environment. We have been taught a profound lesson by the Great Cultural Revolution. We have been able to obtain great achievements over the past 15 years since we introduced reform because we were able to maintain stability and unity. Although turbulence did occur during this period, reform and national construction were able to continue smoothly because the party remained resolute and created a stable environment for reform and opening up by promptly removing factors of instability. The entire country has advanced along this path, and so has the minority nationality areas. Therefore, it can be said this principle upheld by Comrade Xiaoping is entirely correct.

In minority nationality areas the principal factor of instability is national separatism. This involves a reactionary political force bent on undermining national unity and dividing the country. In Xinjiang, the national separatists have been coordinating with hostile forces in the West and with organizations for national separation outside Xinjiang in order to establish the so-called "The Republic of East Turkistan." Inside Xinjiang, the separatists have created disturbances and have occasionally stirred up turmoil and riots, which have seriously endangered social order, affected the smooth progress of reform and opening up, and damaged the fundamental interests of the people of all nationalities in Xinjiang. National separatism has become the principal danger affecting Xinjiang's stability. In implementing the importing guiding principle of Comrade Xiaoping, we must strive to carry out the following tasks in light of local conditions so as to safeguard political stability and unity:

First, we should have a long-term plan and raise our consciousness in promoting stability. In Xinjiang national separatist activities existed long before its liberation; since the founding of New China, the activities have never ceased completely, that is remaining hidden at times and manifesting themselves at others. In recent years, particularly since the disintegration of the Soviet Union, the forces of national separatism in Xinjiang,

affected by national separatism throughout in the world, have begun to gain ground. National separatism and bourgeois liberalization share a similar international background. Like bourgeois liberalization, it will not disappear in the short term. Our struggle against national separatists will be a long process. Therefore, we must be mentally prepared for it. We must neither be impatient for quick results nor slacken our efforts in struggling against them. We must constantly raise our consciousness of promoting stability.

Second, we should make a normal appraisal of the political situation and never waiver in adhering to the central task of economic construction. Our struggle against national separatism is a long process and is at times very fierce. However, as it is a reflection of class struggle in a limited dimension, we must not expand it into an overall class struggle in all minority nationality areas. Therefore, under no circumstances should we use the struggle against national separatism to attack the central task of economic construction or to replace it. We should stick to solving problems if there are problems and solving problems where there are problems.

Third, we must resolutely and promptly remove factors of instability. Although their number is small, the national separatists can do a lot to harm society. Therefore, we must take prompt action in dealing with activities which undermine national relationships, national unity, and social stability. Never should we hesitate or be tolerant in dealing with such activities. To do this, we must do our work by giving first importance to stability; keep an eye on all factors which may lead to chaos or even turmoil; and adopt all available means including education, administrative, and legal ones. At the same time, we must strictly distinguish between and correctly handle the two types of contradictions differing in nature. In our specific work, we must keep an eye on developments so as to prevent the situation from spreading. We must strive to stop factors of instability as well as turmoils in the early stage. Only by doing so can we maintain sustained stability and unity in the minority nationality areas.

Fourth, in promoting stability we must trust and rely on people of all nationalities. History has proven the people of nationalities in Xinjiang are the main force opposing separatism. Without their participation, there would not have been solidarity and unity in Xinjiang. Therefore we must earnestly implement the party's nationality and religious policies; adhere to the system of national regional autonomy; and improve the living standards of the people in order to make them unite more closely, adhere to the party's basic line, and strive to work harder for Xinjiang's stability and development.

Development of Xinjiang's Market Economy Viewed

OW3012080793 Beijing XINHUA in English 0639
GMT 30 Dec 93

[Text] Urumqi, December 30 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region has set up and still works hard at fostering a market economic system.

A local official said that, so far, the region has approved a total of 1,045 markets, of which 32 are wholesale. During the past 10 months this year, it sold 6 million heads of livestock, he added.

Urumqi, capital and a would-be world commercial and trade centre of the region, has founded a total of 117 commodity markets for cereals and oil, vegetables, fresh and dried fruit, articles of daily use, clothing and products from other provinces and autonomous regions as well as foreign countries such as the Commonwealth of independent States.

The city has had 36 million kg of cereals and oil products traded on the markets, earning some 60 million yuan this year.

Yining, an opened-up border city of the region, has developed markets specially for travellers from the commonwealth of independent states. Some commercial installations are still under construction in the city.

A border trade market and the "California trade town", funded by a Hong Kong company, are taking off in Horgos port, northwest of Yining.

Kashi, an important border city in the southwest part of the region, has poured a total investment of nearly 100 million yuan to build and rebuild more than 20 commodity markets, including the "middle and west-Asia international market."

Thousands upon thousands of farmers and sales people gather to do business every day in these markets and the over 500 markets in the Tarim basin where the city is located.

The sources said that the newly-built markets' gross turnover from retail trade amounted to 16.215 billion yuan from January to November this year, 14.9 percent up from the same period last year.

Direct Cross-Strait Transportation Services Proposed**Economic Minister Urges Opening Markets**

OW3012092593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 29 Dec 93

[From the "Hookup" program]

[Text] Economic Minister Chiang Ping-kun said yesterday [29 December]: The conclusion of an agreement during the Uruguay Round of trade talks has greatly increased pressure on our country to open its markets. This has had a serious impact on local manufacturers. For this reason, he will suggest action in keeping with this development and make a written proposal to the Executive Yuan on opening direct transportation services between fixed destinations on the two sides of the Taiwan Strait, as well as some forms of direct trade, with a view to lowering manufacturers' production costs and enhancing our international competitiveness. Here is a report by Huang Mei-ping:

[Begin recording] [Huang] Economic Minister Chiang Ping-kun said: Our country's trade surplus with the Hong Kong area will hit \$16 billion, completely offsetting our trade deficit of \$14 billion with Japan. Hong Kong will probably become our country's largest trading market in the future. Mainland China is already a crucial region for the success or failure of our country's future trade development. As Taiwan's current economic development goes therefore, he said he will make a special case to high-level government officials regarding the necessity and feasibility of direct transportation services between fixed destinations on the two sides of the Taiwan Strait. Chiang will also suggest the Mainland Affairs Council [MAC], the Ministry of Transportation and Communications, and the Ministry of Economic Affairs jointly make relevant plans. This is his personal idea. Direct cross-strait transportation services are something that can be considered, and local government officials should be allowed to conduct negotiations. Shipping and cargo transportation should be considered [words indistinct]. Minister Chiang said:

[Chiang] If we realistically proceed on a harbor-to-harbor or city-to-city basis, we can clear political hurdles. These are technical issues. The Ministry of Transportation and Communications will consider more thoroughly which local areas will be permitted to open such services in the future.

[Huang] Minister Chiang said he had previously suggested the opening of direct cross-strait transportation services after an Asia-Pacific special fishing zone is established. The conclusion of an agreement during the Uruguay Round of trade talks, however, has increased pressure on our country to join GATT and on our manufacturers to make adjustments to enhance their competitiveness. He advanced his idea at this moment because of this pressure. He also said he had talked to

Transportation and Communications Minister Liu Chao-hsuan. For his part, Minister Liu said they had developed a tentative plan and would (?coordinate their actions) after MAC had formally discussed it.

Moreover, Minister Chiang observed: With direct cross-strait transportation services, we need not worry whether another wave of mainland fever or another outflow of capital will be triggered. Besides, the move will not contradict the government's policy of turning southward by steering Taiwan business investment in Mainland China to Southeast Asia. Minister Chiang opined: Our mainland policy should be pragmatic, clear-cut, and positive. Aside from proposing direct cross-strait transportation services, he hoped that measures permitting people from Mainland China's economic and trade circles to visit Taiwan would be promulgated and implemented at an early date.

This has been a report by China Broadcasting Corporation reporter Huang Mei-ping from the Ministry of Economic Affairs. [end recording]

Minister Cites Three Conditions

OW3012095493 Taipei Voice of Free China in English 0200 GMT 30 Dec 93

[From the "News" program]

[Text] Economic Minister P.K. Chiang has decided to push direct transport links between designated ports on Taiwan and Mainland China next year.

In an interview with the Chinese-language CHINA TIMES EXPRESS, Chiang said the measure would greatly reduce the cost of importing raw materials and semifinished products from the mainland. He was the first cabinet member to propose limited shipping links across the Taiwan Strait in defiance of Taipei's official line of banning commercial, postal, and transportation links with the mainland.

The economic minister also cited three conditions to regulate limited direct transport. First, local governments should be charged with this task in order to bypass the controversy over sovereignty. A city-to-city or port-to-port format should be adopted. Second, such transportation should be confined to ships in the initial stage; aircraft would be excluded. And third, such transportation applies to only cargo and not people.

Proposal Draws 'Mixed Reactions'

OW3012084893 Taipei CNA in English 0813 GMT 30 Dec 93

[By Sofia Wu]

[Text] Taipei, Dec. 31 (CNA)—Economic Affairs Minister P.K. Chiang's proposal to open direct shipping links between designated cities or harbors on both sides of the Taiwan Strait drew mixed reactions in the Legislative Yuan Thursday [30 December].

While most Kuomintang (KMT) and Chinese New Party (CNP) legislators supported Chiang's proposal in principle, the Democratic Progressive Party's (DPP) legislative caucus doubted the wisdom of opening direct cross-strait shipping links at the moment.

KMT parliamentary whip Liao Fu-pen said he personally supports Chiang's proposal to allow direct cross-strait cargo shipments on a city-to-city or harbor-to-harbor basis. The CNP legislative caucus also announced its support for the proposal.

Frank Shieh, a spokesman for the DPP legislative caucus, said his party opposes the unconditional opening of direct shipping links with Mainland China because Chinese Communist authorities have not yet abandoned their threats of [words indistinct] Taiwan.

The DPP caucus will invite Chiang to further explain his "shipping links" proposal, Shieh said.

Chiang told the local press Wednesday that he will ask the cabinet to consider opening direct cross-strait shipping links on a city-to-city or harbor-to-harbor basis in order to help local manufacturers reduce transportation costs and enhance their competitiveness in the international market.

Chiang was the first cabinet minister to openly suggest direct cross-strait transportation links, which is supposed to come only after cross-strait relations enter a second stage.

Taiwan currently only allows indirect trade, transportation and mail links with the mainland in accordance with its national unification guidelines which yet [words indistinct] goals for the development of cross-strait ties.

Chiang said the proposed direct cross-strait shipping links should not violate the spirit of the unification guidelines. Direct cargo shipments would only be made on a city-to-city or harbor-to-harbor basis, such as between Kaohsiung and Xiamen or between Keelung and Fuzhou.

Commenting on Chiang's idea, Vice Chairman Kao Koong-lien of the Mainland Affairs Council said late Wednesday it is still premature to establish direct cross-strait shipping links because Beijing remains hostile toward Taipei.

"We maintain that only after political, legal and security barriers are removed can we open direct cross-strait shipping links in a dignified, safe and orderly way," Kao stressed.

Delegation of Mainland Journalists To Visit in Jan

*OW 2912131993 Taipei CNA in English 0748 GMT
29 Dec 93*

[By Danielle Yang]

[Text] Taipei, Dec. 29 (CNA)—Seven mainland Chinese journalists will visit Taiwan in January, marking the second formal visit of a mainland news delegation to visit Taiwan.

The journalists will visit Taiwan January 9-18 at the invitation of the Straits Exchange Foundation (SEF), foundation Deputy Secretary-General Shih Chi-ping said at a news conference Tuesday [28 December].

Shih said SEF will pay for the delegation's food, accommodation and travel expenses during their 10-day stay in Taiwan.

Some of Mainland China's top news professionals will make up the delegation, including the vice president and editor-in-chief of the XINHUA NEWS AGENCY, and the editors-in-chief of the ECONOMIC DAILY, the GUANGMING DAILY, and the English-language CHINA DAILY.

Also planning to visit are the deputy directors of the CHINA NEWS SERVICE, the People's Central Broadcasting Station and the Central Television Station.

The journalists will be accompanied by two Association for Relations Across the Taiwan Strait (ARATS) officials, Shih said. SEF and ARATS are semi-official organizations authorized by their respective governments to handle cross-Taiwan Strait contacts between Taiwan and Mainland China in the absence of official ties.

Further Reportage on Officer's Death, Arms Case

Presidential Spokesman Cited

*OW 3012132093 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
28 Dec 93*

[Report by Yuen Tung; from the "Hookup" program—recorded]

[Text] [Yuen Tung] In response to Legislator Chu Kao-cheng's charges of involvement in arms purchases by presidential aides, Presidential Office spokesman Tai Jui-ming clarified the matter again on 28 December [as heard]. Tai Jui-ming said: Chu Kao-cheng's charges are completely groundless. Relevant units are currently investigating this case. Because the investigation is not being conducted openly, it is hoped that people will not readily believe the rumors. A democratic country stresses the rule of law, which, in turn, emphasizes evidence. Without evidence, no one should be accused willfully. Without mutual respect, we cannot practice democracy and exercise the rule of law. Tai Jui-ming also reiterated the government's resolve to eradicate corruption:

[Tai Jui-ming] Arms purchases should be made according to certain procedures. I think competent units will constantly review and improve the procedures for arms purchases. This system contains man-made flaws.

Everybody knows the government is determined to eradicate corruption. If bribery was involved or secrets were leaked, the government will completely investigate the matter.

[Yuen Tung] In view of Chu Kao-cheng's accusation that the president met with arms merchants on 22 November, the Presidential Office has specifically reviewed documents on that meeting and confirmed that the president met with (Wiedermann), prime minister of Germany's Bremen State and president of Germany's Federal Assembly, on that day. Present at the meeting were German officials; Chiang Yen-shih, secretary general of the Presidential Office; and Vice Foreign Minister Huang Hsiu-jih.

Murder Related to Arms Sale 'Confirmed'

OW3012050593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 29 Dec 93

[By reporter Ho Chien-min at the Legislative Yuan; from the "Hookup" program]

[Text] The Legislative Yuan's National Defense Committee held a marathon session on 29 December to hear reports by the Defense Ministry and other relevant departments in connection with the military's arms procurement system and the murder case of Captain Yin Ching-feng. In reply to inquiries by legislators, Defense Minister Sun Chen confirmed that Yin Ching-feng's murder case is probably related to fraud in a certain arms purchase project.

[Begin recording] [Unidentified legislator] What project, to be exact, is the Yin Ching-feng murder case related to?

[Sun] I do not want to speculate on the connection between fraud of a specific project and the murder case. At the present stage, it is indeed impossible to give an explanation.

[Legislator] If you dare not or cannot explain, or if it is inconvenient for you to explain, I can tell you that it is understood that the project of purchasing parts for naval vessels was the primary cause [of the death]. [end recording]

Then, in reply to an inquiry by legislator Wang Hsien-min, the defense minister further confirmed that based on the Defense Ministry's findings so far, two active duty military officers and two retired officers are suspected of leaking classified documents concerning arms procurement.

[Begin recording] [Wang] How many have been under investigations, and what are the findings?

[Sun] As I understand, two active duty military officers and retired officers. [sentence as heard] [end recording]

Although Minister Sun Chen neither released the names of the four officers nor the investigation's progress, he

indicated that the Ministry did not rule out the possibility of other ministry personnel being involved in the case.

Meanwhile, the minister promised earlier that in the future, the Ministry would strengthen measures to prevent fraud, and would impose a requirement for military officers in certain special positions to report their assets.

As for rumors about legislators being involved in official intercession, a topic of public concern, (Wei Chi-sheng), deputy commander in chief of the Navy headquarters, stated that legislator Chu Kao-cheng alone paid three visits to Navy Commander in Chief Chuang Ming-yao, while legislator Li Ching-hsiung lobbied for domestic manufacturers' bidding for naval survey vessels. As for whether or not these two legislators' actions can be regarded as official intercession, it can only be determined by the judicial unit. The named legislators seized the opportunity to publicly clarify their actions.

Agriculture Council Chairman on New Rice Policy

OW3012083693 Taipei CNA in English 0759 GMT 30 Dec 93

[By Debbie Uuo]

[Text] Taipei, Dec. 30 (CNA)— Taiwan has been keeping a close eye on plans by Japan and South Korea to gradually open their markets to the import of foreign rice, while at the same time mapping out its own rice policy, a top agricultural official said Thursday [30 December].

Sun Ming-hsien, chairman of the Council of Agriculture (COA), said Taiwan's new rice policy must meet regulations set down by the Uruguay round accord of the General Agreement on Tariffs and Trade (GATT) while also protecting the interests of domestic rice farmers.

Sun, quoting the latest GATT arrangements for Japan's and Korea's rice import quotas, said the two countries have been given different quotas based on their relative trade status.

For example, Sun said, the GATT regulations stipulated that Japan, a fully developed country, should allow rice imports of 4 percent of the nation's total rice consumption in the first year, increasing the imports by 0.8 percent annually to reach 8 percent by the year 2000.

For South Korea, a developing country, GATT called for it to open 1 percent of its rice market to foreign imports in the first year with gradual increases ranging from 0.25 percent to 2 percent annually in the following years, Sun said.

In 10 years, Sun added, South Korea will have opened up 4 percent of its rice market to foreign imports.

Although the Republic of China [ROC] applied to become a full GATT member under the "developed

country" designation, Sun said he hoped ROC negotiators will try their best to win rice import conditions similar to those for South Korea.

In addition, he said tariffication will eventually be the only formula governing the imports of rice and other agricultural products.

Sun called for all Taiwan farmers to ready themselves for the gradual opening of the domestic markets to foreign imports, an inevitable development after Taiwan enters GATT.

Farmers Oppose Rice Imports

OW2912131093 Taipei CHINA POST in English
1 Dec 93 p 1, 16

[By R. L. Chen]

[Text] Local farmers yesterday responded to calls by Japan and South Korea to fight against rice imports by threatening to stage nationwide protests if the government bows to foreign pressure and agrees to open the rice market.

Leaders of farmer groups said they would mobilize all Taiwan farmers to stage protests and even strikes if the local rice market is opened. They said imports would greatly threaten their survival and affect agricultural growth on the island.

Currently, there are some 900,000 rice farmers working on some 200,000 hectares of rice paddies in Taiwan.

At a meeting in Tokyo yesterday, farmers' leaders from Japan, South Korea and the ROC [Republic of China] closed ranks against rice import concessions being forced on them so that the Uruguay Round talks could be completed by a December 15 deadline.

The farmers' leaders from the countries were Chien Chin-ching, chairman of the Taiwan Provincial Farmers' Association, Han Ho-sun, chairman of the National Agricultural Co-operative Federation of South Korea and Yoshihara Sato, chairman of the Central Union of Agricultural Cooperatives of Japan.

After their emergency meeting, they issued a joint statement that said it would be "unforgivable" for the desires of a few farm exporters to destroy the international rice market order. The statement will be delivered to the leaders' respective governments.

"We strongly believe that the Uruguay Round talks have so far favored only the special interests of food-exporting countries," the statement said.

"We reconfirm our basic position, that, as far as rice is concerned, tariffication should not apply," it said.

The representatives of 223 million farmers in the three countries agreed to stage larger protests against moves to force open their countries' rice markets.

The successful completion of the Uruguay Round, the global trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT) require that GATT members remove tariffs on farm products, including rice, and open their farm markets.

The ban on rice imposes has become a sticking point in the Uruguay Round talks. GATT proposals call for all non-tariff barriers on farm imports to be replaced with tariffs.

The GATT regulations requiring open markets has been met with strong opposition from Japan, South Korea and the ROC, which are all major rice producers and consumers.

Even as the three countries currently restrict rice imports, there are indications Japan and South Korea might bow to international pressure.

ROC officials have also hinted that the government may be forced to open its market to foreign rice under strong international pressure, a move that would require government assistance to local farmers, they said.

Due to its small-scale farming, rice production in Taiwan cost three times more than those of the U.S. and Europe which use extensive farming methods. Farmers said local rice will be outcompeted if the U.S. and European rice are allowed in the market.

The ROC may also be further compelled to open its market since it is applying to join GATT, which requires its members to practice free trade and open markets.

Although Japan, South Korea and the ROC still officially maintain they oppose rice imports, there have been persistent press reports that all three governments have struck secret deals that would allow them.

According to the reports, which Tokyo officially denies, Japan has reached agreement with the United States to import a "minimum access" amount of rice from 1995.

In Seoul, the influential daily JoongAng Ilbo yesterday quoted a high-ranking official at the agriculture and fisheries ministry as saying it was becoming impossible to defend the rice ban in the face of pressure from other countries.

On Monday, the leading China Times in Taipei said the government might relax its rice import ban if Japan was forced to open its market.

The ROC's Council of Agriculture later denied the report, saying the import ban still stands.

The reports have attracted great concern from farmers of the three countries. About 30 Japanese and some South Korean lawmakers are separately planning a 48-hour hunger strike to protest any agreement on rice imports.

Two lawmakers in Taiwan also demanded that the government maintain its stance.

"Even if the government is forced to give ground, it must directly issue subsidies to farmers to help cover their losses," Tai Cheng-yao, a lawmaker of the main opposition Democratic Progressive Party, said.

Lin Hsueh-cheng, director of the Taiwan Food Bureau, yesterday stressed that the government will hold its ground as much as possible, but if it cannot do so, it will do all it can to help rice farmers.

He promised aid will be granted to local farmers if imports exceed 20 percent of the market supply, but he did not elaborate on the kind of aid to be given.

According to local estimates, such aid should be financial in nature and would cost the government about NT\$3.8 billion [New Taiwan dollars].

Meanwhile, local scholars warned of the ramifications on the opening of the ROC's rice market.

Huang Wan-chuan, professor of farm marketing at National Chungshing University, warned that opening the rice market which he said is not just a special interest concern would create social and political problems since Taiwan's agricultural society faces the risk of collapse after farmers stop growing rice.

He said rice, as a major crop in the ROC, has become part of its culture. Thus, the opening of the rice market would lead the culture to be sabotaged and the collapse of the agricultural society.

Taipei 'Must Review' Car Import Policy

*OW3012091193 Taipei CNA in English 0744 GMT
30 Dec 93*

[By Y. C. Tsai]

[Text] Taipei, Dec. 30 (CNA)—The government must review its car import policy as part of its bid for full membership in the General Agreement on Tariffs and Trade (GATT). Chairman Hsiao Wan-chang of the Council for Economic Planning and Development (CEPD) said Thursday [30 December].

Hsiao noted that GATT contracting parties are prohibited from imposing restrictive measures on imports from a specified trading partner on the grounds of improving the trade deficit.

Taiwan, which is hoping for full membership in the Geneva-based world trade regulating body next year, currently allows automobile imports from the United States and Europe but restricts those from Japan and South Korea.

The CEPD chairman, however, stressed that a review of the car import policy does not necessarily mean the government will advocate a complete opening of the Taiwan car market.

"We could consider following America's example to ask Japan for a voluntary restraint agreement (VRA) through bilateral consultations," he pointed out.

Yin Chi-ming, deputy director of the Industrial Development Bureau, said the bureau is mulling a quota system to gradually open the domestic market to Japanese and South Korean cars.

The government will take a step-by-step approach to open the Taiwan car market, thereby giving 12 domestic carmakers sufficient time for transition, he elaborated.

Under the current strategy, he said, Japanese cars over 3,000 C.C. will be allowed in next year.

Moreover, Taipei will renew negotiations with Seoul on imports of south Korean cars, he noted, adding the new talks [words indistinct].

Taiwan agreed to import 8,788 Korean cars annually in exchange for an equivalent purchase of domestic car parts by Korean car companies before the two countries suspended diplomatic ties in August last year. The Korean side, however, failed to live up to its agreement.

Yin pledged that the government will insist on equal and complementary treatment in renewed talks with South Korea, thereby reducing potential harm to domestic carmakers.

Southeast Asian Economic Officials To Visit

*OW2912132093 Taipei CNA in English 0744 GMT
29 Dec 93*

[By Lilian Wu]

[Text] Taipei, Dec. 29 (CNA)— Ministerial-level officials from Vietnam, the Philippines, Indonesia and Singapore will visit the Republic of China [ROC] next year, the Ministry of Economic Affairs said Tuesday [28 December].

The visits were discussed during a Tuesday afternoon review of economic cooperation meetings between economic ministers from Taiwan and the Southeast Asian countries this year.

The meeting, presided over by economics minister P. K. Chiang, decided that Taiwan will continue to work toward signing labor and fishery agreements with Vietnam and the Philippines, as well as inking accords to avoid double taxation and set up a temporary import system.

The meeting also agreed that the second ROC-Vietnam Economic Cooperation Conference and the fifth ROC-Singapore conference will meet in Taipei during the latter part of next year.

The third ROC-Philippines meeting will be held in Manila, the meeting decided.

Economics officials said the ministerial meetings will help promote the government's southward investment policy and map out guidelines for trade with Southeast Asia.

The officials added that ministerial-level officials from Indonesia will lead a large delegation to visit Taiwan in mid-January. The delegation is scheduled to hold investment presentations in Taipei and Kaohsiung.

Japanese Vice Construction Minister Visits

*OW3012084293 Taipei CNA in English 0734 GMT
30 Dec 93*

[By Sofia Wu]

[Text] Taipei, Dec. 30 (CNA)—Japanese Vice Construction Minister Eisei Ito is currently on a weeklong visit in Taiwan, government sources said Thursday [30 December].

Although Ito's visit is private, he is the highest-ranking Japanese official to visit Taiwan since the two countries severed diplomatic relations in 1972.

Ito said upon his arrival at Chiang Kai-shek international airport Wednesday evening that his visit is for pleasure only, but he did not rule out the possibility of exchanging views with Taiwan officials on how to compensate Taiwan draftees for their deposits in Japanese military post offices during World War II.

Kei Inoue, acting president of a Japanese Diet task force formed earlier this year to help handle the postal deposit problems, is accompanying Ito on his Taipei trip.

During the next few days, Ito is expected to meet with Legislative Yuan President Liu Sung-fan, Secretary-General Hsu Shui-teh of the ruling Kuomintang and other government and party officials. He is scheduled to depart Jan. 4.

Some local political observers said Ito's visit may mark the beginning of Japan's efforts to pave the way for high-ranking officials to visit Taiwan.

Japan has been reluctant to send ministerial-level officials to Taiwan for fear of offending Beijing.

Hong Kong

XINHUA Views Official Statement on Hong Kong

OW3012103093 Beijing XINHUA Domestic Service in Chinese 0829 GMT 30 Dec 93

[Unattributed XINHUA commentator's article: "A Solemn Announcement"; Beijing XINHUA Domestic Service in Chinese at 1153 GMT on 30 December transmits a service message replacing this item with another version; differences between the two are noted below]

[Text] Beijing, 30 Dec (XINHUA)—A spokesman for the State Council's Hong Kong and Macao Affairs Office stated on 27 December that, in accordance with the Sino-British Joint Declaration and the "Basic Law of the PRC Hong Kong Special Administrative Region," the British Government's administrative power in Hong Kong as well as the political framework of the British Government in Hong Kong will terminate on 30 June 1997; and the three-tier framework—the Legislative Council, district boards, and two municipal councils which are part of the political framework of the British Government in Hong Kong—will be dissolved on 30 June 1997; and will be reorganized in accordance with the Basic Law and the decision of the National People's Congress [NPC].

This is a solemn announcement which indicates that China will not waver in its determination to implement the Hong Kong Basic Law and reexercise its sovereignty over Hong Kong in 1997. [replacement version has the first two paragraphs merged]

In the final analysis, the dispute between China and Britain over Hong Kong in recent years is essentially one between the former which insists on reexercising sovereignty over Hong Kong, and the latter which tries by every means possible to extend its colonial rule over Hong Kong. The British scheme is clearly visible no matter what banner Britain has flaunted and what incident it has created.

Hong Kong is the last place where the increasingly declining British Empire can reap colonial benefits. Some people have used "the precious jewel in the crown" to describe the benefits which Britain has reaped from Hong Kong. As far as Britain is concerned, giving up this glittering, precious jewel is certainly something it will not do if it can help it. Thus, whenever the world situation has changed, its politicians have tried every possible means to extend its real rule in Hong Kong and to keep this piece of treasured land. To this end, they have disregarded their diplomatic commitments; employed all the experience gained by their colonialist predecessors; and, under the dazzling halo of "democracy," created a fait accompli which they think China cannot help but accept after 1997 so that, after 1997, Hong Kong will still be under Britain's colonial rule, albeit without the British colonialists. They employed

this trick step by step and laughed up their sleeves at being able to play it. Having meticulously made plans for the Hong Kong Legislative Council and other organs, Governor Chris Patten has on more than one occasion stated that he did not believe China would "overthrow" these organs in 1997. His eagerness and complacency were obvious in his speeches and acts.

The mistake made by Chris Patten and other British politicians consists of their underestimation of China's determination, confidence, and ability to reexercise sovereignty over Hong Kong and safeguard the Hong Kong Basic Law.

Hong Kong is a piece of Chinese territory which Britain seized 150 years ago following its war of aggression launched against China in order to forcibly sell opium to China. The Union Jack, which has flown over Hong Kong for 150 years, not only is a sign of China's humiliation but also exhibits Britain's ugliness to the whole world. China's determination to recover Hong Kong is an act to erase the national humiliation, to realize the whole nation's long-standing aspirations, and to bring to an end the ugliest colonial phenomenon in modern world history. In a talk with then British Prime Minister Mrs. Thatcher in 1982, Comrade Deng Xiaoping pointed out: "It is certain that China will recover Hong Kong in 1997." He added: "If China is unable to recover Hong Kong in 1997, or 48 years after the founding of the People's Republic of China, then no Chinese leaders or governments will be able to justify this to the Chinese people, and even to the people throughout the world. If we fail to recover Hong Kong, that means that the Chinese Government is the same as the late Qing dynasty and that the Chinese leaders will be the same as Li Hongzhang [Qing official who signed the Treaty of Nanjing under which Hong Kong was ceded to Britain in 1842]," and "the people will have no reason to trust us, and any Chinese Government would have no other alternative but to step down and itself leave the political stage." With these remarks, Comrade Deng Xiaoping most solemnly declared China's determination. In recovering Hong Kong, China is the party which upholds justice. Let us ask which country in the world today dares criticize China's just action and act as an apologist for colonialism?

China not only is rational in reexercising its sovereignty over Hong Kong, but it also has considered Hong Kong's history and realities and adopted reasonable measures, namely, making Hong Kong a special administrative region in which the general and specific policies for "one country, two systems" will be implemented; and codifying these policies into law through the Basic Law of the Hong Kong Special Administrative Region. This policy of the Chinese Government toward Hong Kong is welcomed by the vast number of countrymen in Hong Kong and is acclaimed by countries throughout the world.

The Basic Law will become effective on 1 July 1997. It is the Chinese Government's hope to cooperate with the British Government so that Hong Kong's transition and

the transfer of power will be smoothly carried out in 1997. However, we absolutely will not beg the British Government for this. It will be very good if we can cooperate, but if we cannot, everything which is not in line with the Basic Law will be overturned by that time. There is no such question as whether we dare to do or dare not to do. If China itself cannot abide by the Basic Law, how can we talk about recovering Hong Kong, about justifying this move to history, and about explaining this move to the people?

All tricks being played by the British Government and Mr. Chris Patten will end on 30 June 1997. Britain must leave Hong Kong's political stage on that date. There is no other alternative.

We want to advise Chris Patten and his followers to be more sober. The time when Britain can dominate the world with its gunboat diplomacy is gone for good, [replacement version changes previous sentences to read: ...We want to sternly warn (zheng gao 2973 0707) the British Government and Mr. Chris Patten that the time when gunboat diplomacy can dominate the world is gone for good,...(rephrasing)] and you should no longer dream the beautiful dream of being imperialists again. You can stop trying to impose the group you concocted—including the three-tier framework made up of the Legislative Council, the district boards, and the municipal council—on the government of the special region. Those who go against the historical tide will be left to cry in a corner. Do not say we have not warned you.

Editorial on Patten, 'Rule of Law'

HK3012040893 Hong Kong WEN WEI PO in Chinese
30 Dec 93 p 2

[Editorial: "Chris Patten Is Unqualified To Talk About Rule of Law"]

[Text] Yesterday, Chris Patten suddenly pretended to be a "patron saint [shou hu shen 1343 6233 4377] of the Basic Law," talking a lot about the rule of law and rule of man. This was an extremely hypocritical performance.

Patten himself is the last colonialist governor. According to the Sino-British Joint Declaration, his ruling power and his administrative organs will come to an end on 30 June 1997 and things after that are no longer his business. However, he went so far as to unilaterally decide that Hong Kong's three-tiered assemblies will remain beyond 1997. Yesterday, he repeatedly announced that "I do not believe that such arrangements will be overturned."

Such remarks fully show that he does not pursue the rule of law but only pursues the rule of man. The British administration will come to an end in June 1997, as will his power. All British officials in Hong Kong must: Do a good job in properly arranging the transfer of government according to the legal system; assist the Chinese side in restoring the exercise of sovereignty strictly in accordance with the Joint Declaration; not do anything

to obstruct convergence with the Basic Law; and must never decide unilaterally any post-1997 affairs that should be decided by China in an attempt to extend and preserve Britain's administrative power in Hong Kong. Patten's power comes from the Letters Patent and the Royal Instructions and the authority of the three-tiered assembly system he has adopted also comes from the Letters Patent and the Royal Instructions. Therefore, in terms of law, the three-tiered assemblies under British rule absolutely cannot be maintained after 1997.

When China was formulating the Basic Law, the British side wanted a "through train" arrangement. The two sides then held consultations on this matter and reached an agreement. The seven diplomatic letters exchanged by the Chinese and British foreign ministers were the proof of such agreement. The Basic Law and the decision made by the National People's Congress [NPC] specify the point that the formulation of the first Special Administrative Region [SAR] government and the first SAR Legislative Council and other relevant affairs will be decided by the SAR Preparatory Committee, while the district organizations will be formed according to the laws and decisions adopted by the SAR authorities. However, Patten, Hurd, and the British Parliament all broke their promise, denied the agreement reached by China and Britain on the principles and key points for the three-tiered assembly election arrangements. Chamberlain, the legal adviser to the British Foreign Office, even said that the seven letters could be regarded as "gentlemen's agreements." Patten has always alleged that "the three-tiered assemblies are inseparable." On 6 October, when he delivered his policy address, he announced that the talks on the three-tiered elections would "terminate in a number of weeks" and he would present the constitutional reform package to the Legislative Council. During the 17th round of talks, British representative Christopher Hum also announced the termination of the talks. As the British side has broken its promise and there is no agreement between the Chinese side and the British side, there will be no through train arrangement for the three-tiered assemblies. Any people with basic legal knowledge can understand this. While denying that the seven letters between China and Britain represent an agreement, Patten is now still asserting that the three-tiered assemblies under the British rule would be kept after 1997 and that he does not believe that the Chinese side will overturn them. Is this not a self-contradictory and incoherent remark?

It is China's sovereignty principle, the Sino-British Joint Declaration, and the agreements previously reached by China and Britain that determine whether there will be a through train. Only when the British side respects China's sovereignty and acts according to the Joint Declaration and other Sino-British agreements will there be a through train. Since the agreements were reached by the Chinese and British Governments, the department of the Chinese Government in charge must go all out to safeguard the agreements and ensure their implementation and must never make the slightest concession on

affairs concerning the transfer of government. If they make any slight concession, state sovereignty will have been harmed and this will be quite similar to the practice of the Qing Government. No department in charge in China is willing to act as another Li Hongzhang. The statement by the Hong Kong and Macao Affairs Office that the three-tiered assemblies organized by the British Hong Kong authorities must be disbanded on 30 June 1997 was perfectly justified. The Hong Kong and Macao Affairs Office merely pointed out the fact that the British Government violated the agreements, undermined the Sino-British talks, and obstructed cooperation related to the transfer of government. It also pointed out the inevitable consequences of such practice. Who actually went back on their own words? It was the British side which proposed to cooperate with the Chinese side in making the through train arrangement and it was also the British side which later unilaterally terminated the talks and pursued its own election package, thus ruining the through train arrangement. The British side must bear responsibility for the noncontinuity of Hong Kong's political structure. Patten, who advocated that "no agreement is better than a bad agreement" and called for "unplugging the talks," should particularly bear the main responsibility. His arbitrary decisions and peremptory actions created such a troublesome situation. Has he ever shown any respect for the wishes of Hong Kong people for a smooth transition? How could the responsibility be reversed by saying that the Hong Kong and Macao Affairs Office "decided" to remove the through train? It is Patten rather than anybody else who is pursuing the rule of man.

Since Patten came to Hong Kong as governor, he has continually refused to cause things to converge with the Basic Law; instead, he has insisted on following another course and advocating the unilateral constitutional reform package of "being open, fair, and acceptable to Hong Kong people." How could a person who broke the diplomatic agreements be qualified to talk about the Basic Law? What favor would Patten gain when the Basic Law is explained by the NPC Standing Committee? The NPC Standing Committee has its own timetable for handling the affair of sovereignty over Hong Kong and Patten is not in a position to say when the NPC will make a decision. Patten's peremptory actions have destroyed the foundations for cooperation. If he still expects that his package, which does not show any respect for the agreements, will be accepted by the Chinese side, then people can only doubt his ability to think and judge.

Official Assures Religious Freedom After 1997

HK3012052393 Beijing ZHONGGUO XINWEN SHE in Chinese 1337 GMT 29 Dec 93

[By Duo Duo (1122 1122)]

[Text] Hong Kong, 29 Dec (ZHONGGUO XINWEN SHE)—In a speech at the inauguration ceremony for the Buddha Tian Tan at Po Lin Monastery on Lantau, Hong

Kong, Zhou Nan, the director of XINHUA Hong Kong Branch, said: The Chinese Government has consistently pursued a policy of religious freedom and citizens' freedom of religion is protected by law. The Basic Law of the Hong Kong Special Administrative Region [SAR] clearly provides that after Hong Kong reverts to the motherland in 1997, Hong Kong residents will enjoy freedom of religion as they do now. The future SAR government will give protection to this in accordance with the law.

Zhou Nan said: Buddhist doctrine is wide-ranging, comprehensive, and profound. Since its spread to China during the Western Han Dynasty, Buddhism has gradually taken root in Chinese society and has merged with traditional Chinese culture, exceedingly enriching Chinese civilization. Buddhism today is still an important mutual link between the people of the mainland and of Hong Kong. Since China began to pursue reform and opening up, religious activities and friendly contacts and exchanges in all other aspects between Buddhist circles of the two sides have been increasingly strengthened.

Zhou Nan praised Hong Kong's Buddhist circle for its important contribution to the development of the Hong Kong community and for its lofty patriotic feelings and charity, as demonstrated by activities which are good for the country and people, such as providing relief in flood-stricken eastern China, supporting Beijing in its bid for the Olympic Games, helping reduce disasters and aiding the poor, and assisting Project Hope [provision of vaccinations and elementary health care in rural areas].

Zhou Nan maintained that the completion of the Buddha Tian Tan was the crystallization of the close cooperation between the mainland and Hong Kong, a symbol of the solidarity of the Chinese nation, and could be described as boundless beneficence.

Zhou Nan finally said: Today, the world's tallest bronze Buddha sits peacefully on the top of Lantau, Hong Kong. It faces north to China and whispers silent prayers for numerous people in the solemn territory of China, blessing them with great progress and luck in the right causes they are pursuing.

XINHUA Hong Kong Branch's Performance Viewed

HK3012051693 Hong Kong LIEN HO PAO in Chinese 29 Dec 93 p 2

["Special article" by staff reporter: "XINHUA Hong Kong Branch Has Done Eye-Catching Work in Setting Up a New Kitchen; Since Foundation of the Transitional Leading Body Has Been Laid, It Exerts Efforts to Grass-Roots Level"]

[Text] In 1993, a year of political controversy, the XINHUA Hong Kong Branch, as China's top official organ in Hong Kong, "went onto the stage and distinguished itself again," thus becoming one of the most eye-catching organs and news foci in Hong Kong.

In the government setup, the XINHUA Hong Kong Branch is an agency of the State Council; whereas in the CPC setup, it is an overseas party committee organ in the name of the CPC Hong Kong and Macao Work Committee directly under the CPC Central Committee's leadership. Combining party and government functions and wielding great power, the XINHUA Hong Kong Branch commands tens of thousands [figure as published] of PRC-funded organs.

Compared with the State Council Hong Kong and Macao Affairs Office, another organ at the same level, the XINHUA Hong Kong Branch does not have the function of drawing up Hong Kong and Macao policies, but it is the most direct executor and interpreter of Hong Kong and Macao policies, as well as the CPC organ which pays closest attention to Hong Kong affairs and which comes most directly into contact with adversaries and friends. Due to this characteristic, the XINHUA Hong Kong Branch had an outstanding and exceptionally active performance in 1993, when political controversy was most heated, and relieved itself of the depression since the democratic movement in 1989 and in the past.

As a matter of fact, the XINHUA Hong Kong Branch is no longer the organ which stressed underground united work in the past and which made as many friends as possible in the Xu Jiatuan era. It has already carried out a lot of "concrete work" in Hong Kong.

What people often notice are the occasions which XINHUA officials were engaged in a battle of words with the British Hong Kong authorities; but what people have neglected is the fact that the XINHUA Hong Kong Branch is secretly exerting itself to set up a "kitchen."

This year, the work to which the XINHUA Hong Kong Branch devoted its greatest energies and which was most laborious was precisely the recruitment of talented persons from the widest spectra in Hong Kong society to form a large body of deputies to the National People's Congress [NPC], members of the Chinese People's Political Consultative Conference [CPPCC] National Committee, advisers on Hong Kong affairs, and members of the Preliminary Work Committee [PWC]. Of course, compared with the Preparatory Committee of the Special Administrative Regional [SAR] Government to be formed in 1996, these four organized groups are not the real kitchen but can only be described as the "foundation of a kitchen range." It is expected that none of these 200 people or so is the favorite of the SAR Chief Executive. However, we can certainly say that most of the members of the SAR Legislative Council and some administrative officers will come from these groups of people.

This year the term of office of the NPC and the CPPCC National Committee expired and new deputies and members were elected. As a result, more deputies to the NPC from Hong Kong and more members of the CPPCC National Committee from Hong Kong and Macao were elected. Moreover, two such members were

elected vice chairmen of the CPPCC National Committee and regarded as "party and state leaders" in the mainland. These appointments should be attributed to the coming of Hong Kong's post-transition period and the deterioration of Sino-British relations, but it was also due to the XINHUA Hong Kong Branch's painstaking selection and recommendation that deputies to the NPC and members of the CPPCC National Committee from Hong Kong could appear in Beijing as a group and that Hong Kong deputies to the NPC, together with deputies from Macao, could even have the right to propose motions.

However, it was more difficult to select the second batch of 49 advisers on Hong Kong affairs and 30 members of the PWC. We may say that the XINHUA Hong Kong Branch "racked its brains" in this work, which must not only encompass different social sectors and functional constituencies, but must also give consideration to new and old friends. After strenuous efforts were made, a number of recommended appointees visited Beijing, but there were still several twists and turns. Finally, resentment and disappointment still remained, and directors of the XINHUA Hong Kong Branch heaved a sigh.

In any case, the foundation for building a strong anti-British kitchen and leading body in the transition period, with the 200 people or so at the core, has been laid, and all the XINHUA Hong Kong Branch has to do is to add "bricks and tiles" on it.

In this respect, the XINHUA Hong Kong Branch is now laying the foundation for next year. It is estimated that the number of the third group, maybe the last group, of advisers on Hong Kong affairs will be up 40 or even 50, and a wider spectrum of candidates will be selected. On the other hand, among the 10 proposed new PWC members, six of them will come from Hong Kong and will be chosen carefully.

In selecting talented persons, the XINHUA Hong Kong Branch not only puts on a rival show against the Hong Kong Government's policy of choosing local Chinese people to act as senior officers, but also lays a foundation for local Chinese people to play a part in the future SAR political structure. Since the workload is large and many people are expected to try to secure the appointments, it is very toilsome.

In view of this, the XINHUA Hong Kong Branch will shift its major work next year to grass-roots organizations in Hong Kong, Kowloon, and the New Territories first to break away from the limitations of being "too leftist and too narrow;" second, to try to win over more people at the grass-roots level in face of the District Board elections in 1994; and third, to try to establish more pro-PRC grass-roots organizations to reverse the situation of lacking citizen support.

In 1993, because of the deterioration of Sino-British relations, the XINHUA Hong Kong Branch played a role in instantly condemning the British Hong Kong authorities. Apart from Zhang Junsheng who made most of the

remarks and who frequently cut ribbons and spoke to the press, other vice directors also appeared in public more frequently, and even Ulanmulun, an introvert who took up the post not long ago, could also speak a few words on occasion, thus making them the most open leading group of the XINHUA Hong Kong Branch compared with the past. It is believed that since China and Britain do not have good cooperation, the public relations image of the XINHUA Hong Kong Branch will become more and more obvious.

Compared with politics, the XINHUA Hong Kong Branch's performance in economic work this year was not so good. Due to uncooperative political relations between China and Britain, it was difficult to introduce large projects of economic construction, therefore, the XINHUA Hong Kong Branch did not score any major achievements. On the contrary, a wave of seeking foreign investment one after another throughout most of the year tired XINHUA officials out by keeping them on the run, and pro-PRC wealthy gentry were also implicated in it.

However, with the arrangements of the XINHUA Hong Kong Branch, a lot of economic work was conducted under the table, but people still did not know the results and it was very difficult to say whether the work was successful or not. The most prominent example was that Yam Chi-kwong, president of the Hong Kong Monetary Administration, visited Beijing for several times, but people did not know what exactly Yam had accomplished in his visit.

Moreover, faced with the four large groups, including British-invested companies, local Chinese-invested companies, PRC-funded companies, and overseas Chinese-invested companies, the XINHUA Hong Kong Branch is obviously adopting a policy of leaving British-invested companies in the cold for the moment while maintaining close relations with local Chinese-invested companies, developing overseas Chinese-invested companies (such as those invested by Robert Kuok, Huang Hung-nien, and others), and expanding PRC-funded companies to ensure that it can stabilize and master Hong Kong's economic framework.

In addition, countless large recreational and sports activities, such as art exhibitions, cultural relics exhibitions, and activities related to the Olympics bid, were held and sponsored by the XINHUA Hong Kong Branch. Entertainment circles which maintain closest links with the Chinese side paid visits to Beijing excitedly, but, at the same time, they were not only haunted by the shadow of triad society but also disturbed by Chairman Jiang's call to tighten restrictions on propaganda and entertainment circles, thus leading to a depressed end in this year's artistic exchange between China and Hong Kong.

In short, the XINHUA Hong Kong Branch put on an eye-catching performance in the turbulent year of 1993. It will be even busier next year and continue to be busy for the next three years or so until the large signboard of the "Hong Kong SAR CPC Committee" is hung in Happy Valley.

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